AGRARIAN RELIEFS

(*IN FOREIGN COUNTRIES*)

BY

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FOREWORD.

Many people have the impression that the problems of India are peculiar to her and totally unlike the problems of other countries. To some extent this is true, for, each country has its own special problems and, what is even more important, its particular background out of which these problems have arisen. And yet fundamentally this is not a true impression.

We all recognize now that agrarian problem is the dominent problem of India. We argue about the Zamindari system and various tenures and land laws. Yet few of us take the trouble to find out how similar problems have been dealt with in other countries ; few of us even realize that such problems have been faced and solved elsewhere. We have a faint recollection that the French Revolution of 1789 was due to the feudal land system and the Revolution swept this way. Can we not learn something from this and seek to eliminate feudal relics in land which have become completely out of date ?

But to come to more recent times. There have been vast agrarian changes in Soviet and by the method of trial and error, the Soviets have evolved a

new system based on Collective farms. Surely one can learn much from this great and seemingly successful experiment. In other parts of Eastern Europe there have been also considerable changes in the land system as an aftermath of the Great War. All these have a lesson for us for our problems are essentially the same.

Then we have Spain where bloody and ruthless war has been going on largely because of an attempt to change the old feudal land system.

All this required deep and systematic study and I wish that this was undertaken by our experts. Meanwhile Chaudhri Mukhtar Singh has touched this subject and done some pioneering work. He has told us of various changes and agrarian reforms in European countries, in Canada and Australia. I congratulate him on this work and commend it to all those who are interested in agrarian reform in India. They can learn much from it.

JAWAHARLAL NEHRU

ALLAHABAD :
February 12, 1938.

Pandit Madan Mohan Malaviya writes—

"You have rendered further valuable service to our suffering countrymen, the agriculturists by your well-timed publication. I sincerely hope that the book will be widely read by those who are interested in the welfare of the agriculturists and particularly by those who have got the power to adopt measures of real relief for our people".

Swami Sahjanand Saraswati, President, The Bihar Provincial Kisan Sabha :—

"I have very carefully studied your book "Agrarian Reliefs in Foreign Countries" and I must admit it is very useful and timely publication. For a long time past I have always been in search of such a book with a view to enlighten myself and the people about the detailed information as regards the measures adopted by the various independent countries to meet the extraordinary situation created by the world-wide terrible depression so far as the peasantry is concerned.................................. ....Your book has fulfilled the object and places the whole picture in a nut-shell. The conclusions drawn by you in the midst of the book and in the end have proved most helpful in

reaching some definite decisions to apply the same formula to the unfortunate Kisans of India. I gladly recommend the book to all who are interested in the real welfare of the Kisans and the country".

J. C. Kumarappa, Secretary and Organizer, All India Village Industries Association, Wardha :

"It is a timely publication. Very few have any idea as to what can be done for the agriculturist. I must congratulate you on bringing within so short a compass such a mass of information of what is being done in foreign countries to tackle the problems".

INTRODUCTION

We have attempted in this small book to give a description of the different relief measures adopted in different countries. The main idea with which we started this work is that at a time when both the Government and the people are trying to help the agriculturist, it will serve a very useful purpose for them to get in a small compass sufficient details of the methods adopted for agricultural reliefs in other countries. We have tried to select countries which are (1) mostly agricultural, (2) semi-agricultural, and (3) industrial so that the readers may have no difficulty in assessing the value of the different measures adopted. Towards the end of the book, we have, in a few pages given a sort of a summary of all the different measures adopted in foreign countries, discussing at the same time their relative position as regards our own country. We have avoided giving description of such of the measures adopted in foreign countries which we consider unsuitable for India so that the time and space at our disposal might be best utilized. If any of the measures, the description of which has been given in this book, are found to be useful and applied for the betterment of the people, we shall, consider ourselves to be repaid.

Though the work of the real uplift of the masses is a very baffling question, yet sometimes people deal with the subject rather light-heartedly. In fact it requires a very deep and serious consideration before a man can claim that he could add a pie to the resources of the poor man. We hope the material available in this book will at least give sufficient material for thought to those who are feeling for the farmer and are trying to better his lot.

We are highly indebted to the International Institute of Agriculture, at Rome, for most of the material available in this book. Their annual publication for different countries has helped us a great deal. Our visit to the Institute and discussion with the Secretary have been very valuable assets for us and we express our sincere gratitude for the courteous help that the Institute and the Government of Italy gave us in our last visit. We are indebted to Mr. Walsh who travelled with us and explained everything to us in English.

MUKHTAR SINGH.

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Great Britain

AND

Northern Ireland

Great Britain is not an agricultural country, still a study of this country will be of special interest to us inasmuch as this is the country of our rulers. We are at every step told to take precedent from this country and whenever an appeal has been made to our rulers to ameliorate the conditions of the agricultural classes in India, we are always referred to the world depression and we are always made to believe that in the face of the so called world depression, nothing can possibly be done. But if we examine what has in the past years been done in Great Britain we will know that our rulers have a different set of principles to act upon in their own country.

Currency and Exchange

If any step is needed in the interest of the revival of industries in Great Britain there is no consideration whatsoever to deter the financier of Great Britain. All the stories of the world credit and the soundness of financial position vanish in the air, when a real problem of the revival of the industries presents itself

before the people and the financier of Great Britain. The moment it was discovered that there was an adverse balance of trade, they did not hesitate in placing their currency and exchange in the most beneficial position. The currency was at once depreciated and the sterling went off the gold standard. But a similar depression of Indian currency was not allowed. The Indian Government, on the other hand, was forced to peg the already appreciated rupee with the sterling in order to get the largest benefit out of their depreciated currency. Why? Only because India being a dependency, its interests must be subservient to the interests of the ruling country. The rupee was not allowed to find its own level amongst the currency of the different countries, but it was tacked to the sterling on the existing basis and all this was being done when the Joint Parliamentary Committee was sitting to frame the new constitution for India. This has resulted in the export of huge amount of gold during recent years to keep up the balance of trade. This is what we have got as the first economic instalment of the reformed constitution and again under the reformed constitution we are prohibited from making any change in the present exchange policy without the permission and sanction of the British Parliament.

The entire agricultural population of India is hit hard on account of the abnormal low prices of

agricultural produce prevailing in the market, and though it is admitted at all hands that one of the causes for the low prices is the exchange ratio, yet whatever the consequences, there seems no hope for a change in the present policy. The responsibility to maintain a financially sound position in the markets of the world rests upon our rulers and they must maintain this soundness at all costs. Great Britain could easily override this consideration and could depreciate its currency but India must go without it.

Protection and quantitative Regulation of Imports.

Students of economics are aware of the great controversy between the "Protection" and the "Free Trade." England had been an advocate of free trade. The Finance Member of the Indian Government still boasts of being a free trader. But it is nothing short of cutting jokes at our expense.

The United Kingdom, the great champion of free trade, without any hesitation declared herself in 1931-32 a Pucca protectionist and bade adieu to the much talked of principle of free trade. In the report of the Agricultural Situation published by the International Institute of Agriculture, at Rome an apt remark has been made in this respect; "The tariff walls are already higher than those of any pro-

tectionist country and they show a constant tendency of increasing. The last great open market has been closed." It will be of interest for the Indian student of economics to understand the correct position of Great Britain in terms of Protection and Free Trade. England is neither a free trader nor a protectionist. It becomes one or the other according to the needs of the time. When Indian industries were better off and flourishing, and England could not compete with them in their own country, she became a protectionist through and through. But when the conditions in India changed; when the industries of Great Britain were well established, she discovered that it was in her interest to become a free trader and she did not hesitate in the least in declaring herself as such. All went on for a time; but again as soon as she was faced with depression, she had not to think for a moment, she became a protectionist again and resorted to all sorts of legislations only to protect her interests.

Abnormal Importation (Customs Duty) Act was passed and it received the Royal assent on the 20th of November, 1931. This Act was designed to operate for six months and the main purpose was to put an immediate check upon imports. By this Act, duties as high as 50% *ad valorem* were imposed on a large number of articles, specially fully manufactured ones. There were several other Acts also passed and they will be dealt with elsewhere in this book.

Besides stopping the imports of foreign goods by raising tariff walls against them the Government also entered into agreements with different countries in order to restrict imports from them and to help the export of finished goods of England to those countries. Indians know full well and to their own cost how they were dragged into the scheme through the much maligned agreement signed at Ottawa. Who can deny the fact that the Ottawa Pact was not in the interest of India ? But who could help it, ? when the Government of India have got the authority to appoint persons in their own interest to represent India and sign any pact on their behalf. The recent debates on the notorious Ottawa Pact in the Legislative Assembly have dealt with it in all its aspects and it will be useless to enter into any details in this respect.

Without prejudice to their own position under the Ottawa Agreement, Australian and New Zeland Governments agreed in November and December 1932 to reduce their shipments during November and December to 10 per cent less than their shipments in the corresponding months of 1931.

The imports of bacon and ham from different countries were restricted to about 16 per cent below the imports in the corresponding period of 1932.

There was an Anglo-Urgentine Trade Agreement signed on the 1st of May 1933. By this agreement

Great Britain undertook not to impose any restriction on imports of Urgentine chilled beef in any quarter below the quantity in the corresponding quarter of the year ending 30th June 1932, unless such restriction was necessary in order to maintain prices.

Similarly the South American shippers agreed to reduce their marketing of chilled beef in the United Kingdom by 10 per cent.

In the same direction and with a view to regulating imports, was made the Anglo-Danish Trade Agreement. It was decided by this agreement that in the three years following it, Danish imports of butter into the United Kingdom would not be restricted to a lower quantity than 2,300,000 cwts. which is equivalent to a reduction of 13½ per cent on the then rate of importation.

The import duty on foreign eggs which averaged at 1 sh. 6d. per hundred served to check the imports as a protection on eggs. But this import duty was not considered enough. Further help was required and that help came forth. The governments of foreign countries exporting eggs to the United Kingdom were asked to limit their supplies during the six months *i.e.*, from the 15th of March 1934 to the 14th of September 1934, to the figures in the corresponding period of 1933. The countries concerned generally complied with this request.

Wheat

The zeal and enthusiasm for the development of agriculture is not confined to the Government alone. Universities in England have always contributed their quota towards the betterment of their country. These universities are not like the stereotyped universities of India where there is no room for any initiative whatsoever. There is the all pervading policy of the Government and everything has got to be done in accordance with that policy. But in Great Britain the universities make their own investigations in the economic interests of their country and play a great part in rivetting the attention of the officials and the people upon the importance of different subjects. The Oxford Agricultural Economic Research Institute made an investigation in 1931 as to the cost of wheat grown in England. They found that the total cost per acre of wheat grown was £8-7s-11d. They estimated the yield per acre at 18 cwt, the selling price to be 6sh. per cwt., and adding £1-0 as the value of straw, the income received by the farmer was estimated to be about £6-8sh. per acre. Thus it was found that the wheat farmer was losing approximately £2-0 per acre by growing wheat. Similar investigations were also made by other universities The Farm Economic Branch of the Cambridge University, Department of Agriculture, investigated into arable

farming in the whole eastern countries in 1931. They investigated 300 farms and found that only 15% of them showed a profit surplus of £1-0 or more. In all sized-groups the average profit surplus was a negative quantity. It ranged from £100 in farms between 20 and 50 acres in area, to £400 in farms of over 300 acres in area.

Then again, there was the Department of Agriculture of Scotland which conducted a similar investigation and showed that out of 27 farms which devoted mainly to arable area only seven showed earnings in 1929-30, sufficient to leave a balance of living expenses. Here too the condition in 1931-32 must have been worse. These figures told, and the country could not sit tight over them. It could only be possible in India that a publication issued by the Department of Agriculture showing the unprofitableness of farming could be suppressed to order. United Kingdom is a free country and the universities consist of patriots whose investigations are always held in high esteem. England is not a country where officers of the Department of Agriculture or other officers or the so called self-appointed guardians of the peasants could preach in season and out of season against the conservatism of the farmer and could harp upon the stupid suggestion of producing more without going into the question of the expenses and the difficulties of growing the crops. There, the Government

would be turned out of office if they failed to do anything really useful to the cultivator. As the various investigations made, showed the seriousness of the situation, the Government was on its alert. It passed an Act on the 12th of May 1932 known as "Wheat Act". The object of this Act was to provide the wheat growers of the United Kingdom with a secured market and fixed prices for home-grown wheat of millable quality without a subsidy from the exchequer and without encouraging the extension of wheat cultivation to land unsuitable for the crop. The standard price of 45sh. a quarter was fixed for wheat. The result was that the farmers sold their wheat in the open market and the average price for all home-grown wheat was calculated. The farmer was entitled to receive at the end of the year, the payment known as "deficiency payment", equal to the difference between the standard price and the average price for every quarter of millable wheat sold by him.

In order to raise the funds to provide the 'deficiency payment' the following scheme was adopted:— The millers and the flour importers were called upon to make the "Quota Payment" of all flour milled, whether from home-grown or imported wheat, or on flour imported. But millers whose output consisted solely of wheat meal used for further manufacture as animal or poultry feed could obtain certificate of exemption from these payments. Two institutions "Wheat Commission" and "Flour Mills Corporation"

were set up to operate the scheme. The Wheat Commission was made responsible for the payment of the bonus to wheat growers and issued certificates to growers in respect of sales of wheat to the effect that the wheat was grown by them and was of millable quality. This commission also controlled the "Wheat Fund" into which the proceeds of the levy were paid and out of which "Deficiency Payments" were made. A secured market was thus provided to the wheat growers by this Act which gave the Minister of Agriculture, acting on the advice of the Wheat Commission, a power to order the Flour Mills Corporation to purchase stocks of home-grown millable wheat remaining unsold at the end of cereal year up to the maximum of 1/8th of the anticipated supply for the year. For this purpose the Millers 'Quota Fund' had to be established under the control and management of the Flour Mills Corporation. Consequently by the order of the Ministry of Agriculture, dated 16th of June 1932, every mill and every importer of flour became liable to make to the Wheat Commission a 'quota payment' of 10sh. 8d. per cwt., (2sh. 3d. per sack of 280lbs.) of his output of the flour. Another order on the same date prescribed the anticipated supply of home-grown millable wheat for the cereal year 1932-33 to be 1,98,00,000, cwt.

The following table taken from the report of the Standard Price Committee will show the extent to which this Act helped the wheat growers.

Standard price	1932-33 Cwt.		1932-33 Qtr.		1933-34 Cwt.		1933-34 Qtr.		1934-35 Cwt.		1934-35 Qtr.	
	sh.	d.	sh.	d.	sh.	d.	sh.	d.	sh.	d.	sh.	d.
	10	0	45	0	10	0	45	0	10	0	45	0
Ascertained average price (at farm).	5	4·46	24	2·07	4	7·3	20	10·335	4	10·444	21	11
Price deficit ..	4	7·54	20	9·63	5	4·37	24	1·665	5	1·556	23	1
Deduction for administrative expenses.		0.68		3·06		0·52		2·34		0·5		2·25
Deficiency payment ..	4	6·86	20	6·87	5	3·85	23	11·325	5	1·056	22	10·75
Total receipts of grower of wheat sold at the average price were there no anticipated supply factory restricting total payments.	9	11·32	44	8 94	9	11 48	44	9 66	9	11·5	44	9·75
Quantity of wheat certified to have been sold.	20,400,000		4,533,000		29,570,000		6,571,000		35,000,000		7,778,000	
	The difference in this year is due solely to the 7½% allowance for seed wheat.											

	1932-33.				1933-34.				1934-35.			
	Cwt.		Qtr.		Cwt.		Qtr.		Cwt.		Qtr.	
Standard price.	sh.	d.	sh.	d.	sh.	d.	sh.	d.	sh.	d.	sh.	d.
	10	0	45	0	10	0	45	0	10	0	45	0
Anticipated supply for purposes of deficiency payments.	19,800,000		4,400,000		27,000,000		6,000,000		27,000,000		6,000,000	
Statutory proportion for the adjustment of the deficiency payment.	97·059 per cent.				91·3 per cent.				77·1 per cent.			
Reduction of ..		1·61		7·245		5·55	2	0·975	1	1·082	5	2·919
Adjusted deficiency payment on credited sales.	4	5·25	19	11·625	4	10·3	21	10·35	3	11·074	17	7·83
Actual total receipts of Grower of Wheat sold at the average price.	9	9·71	44	1·695	9	5·93	42	8·685	8	9·518	39	6·83
Total amount of Deficiency Payments.	£4,511,949				£7,180,341				£6,864,958			
Acreage under wheat in the United Kingdom (Great Britain and N. Ireland).	acres 1,343,000				acres 1,745,000				acres 1,866,000			

It is clear from the above table that in 1932-33 the amount of payment for Deficiency Payments amounted to £45,11,949; and in the year 1933-34 it amounted to £71,80,341; and in the year 1934-35 it amounted to £68,64,958. Exchanging this amount into rupees it would come to Rs. 6,09,11,311 Rs. 9,69,34,603; and Rs. 9,26,76,933 respectively. If we compare the price of wheat and the deficit payment made we will see that, roughly speaking, the cultivator got 50% from the consumer by the sale of wheat and he was awarded 50% from the Government treasury to keep him on the land. In 1932-33 the average price, at the farm, per quarter was only 24sh. 2·07d., while the difference paid by the treasury amounted to 20sh. 9·9d. In the year 1934-35 the average price was 21sh. 11d., and the deficit was paid at 23sh. 1d. Under the arrangement made, the farmer of England got more than Rs. 3 per cwt., or Rs. 2/- a maund from the treasury in order to cover his expenses. It was thus that he was made to carry on farming. While in India though the prices depressed below the level at which the farmer could recover even his bare cost of farming, yet no help was forthcoming. When the wheat crop was threatened by the import of foreign wheat, the question was raised in the Assembly and the Government had agreed to levy import duty of Re. 1/8/- per maund, but last year in spite of the fact that the Punjab Legislative Council had recom-

mended an increase in duty of Rs. 2/- per maund, the Government decreased the import duty to Re. 1 per maund. When in the matter of protection the Indian farmer is not helped how can he look upon the Government for help in the shape of a subsidy which came to the rescue of the English farmer ?

As a result of the Wheat Act, 1934, it was considered possible that the area under wheat cultivation may increase to such an extent that the land unsuitable for growing wheat may be brought under cultivation. It was, therefore, provided that in no case should full deficiency payment be made on a larger quantity than 6,000,000 quarters. It was expected that wheat production would gradually rise to this figure, but it actually surpassed the estimate in a single year. Whereas in cereal year 1932-33 the area under wheat cultivation was 1,343,160 acres, "the anticipated supply" was 19, 800,000 cwt. and the actual sales of millable wheat amounted to 20,400,000 cwts ; in 1933-34 the area under wheat rose to 1,743,950 acres; the anticipated supply was at first fixed at 27,000,000 cwts. but was afterwards raised to 29,000,000 cwts., and the actual sales were 29,570,000 cwts.

This unexpected increase naturally affected the amount of deficiency payment. In 1932-33 the average price of millable wheat was ascertained to be 5sh. 4·46d. per cwt. The full deficiency payment

being the difference between the standard price and the ascertained average price was therefore 4sh. 7·54d and the farmers received only slightly less than this. In 1933-34 the ascertained average price was apparently lower than in 1932-33, being only 4sh. 7·63d. per cwt. The full deficiency payment was, therefore, 5sh. 4·37d. per cwt. But the farmers only received 4sh. 10·3d. per cwt. This result was not due to fall in prices, but was due to increase in production beyond the limits contemplated in the Wheat Act itself.

We have discussed this in detail with a view to expose the flimsy excuse of the Government that the area will not be controlled if prices are fixed in India. We have seen from above that this could be possible in Great Britain and the area could be controlled by fixing up the prices. The only work done by the Government of India is the publication of a "Report on the Marketting of Wheat in India" which in itself is a nice exposition of the hopeless conditions existing in the Indian markets. Yet its recommendations are simply a nice method to evade the issue. When once the Government of India has assumed the responsibility of improving the Indian markets by the appointment of a marketting adviser they can not sit with folded hands and pass on the entire responsibility to the Provincial Governments. The conditions in India

may be different from the conditions prevailing in other countries, but this can not be the excuse for inaction. To sit quiet is simply criminal. The truth of the matter is that there is a world of difference between the Government in England and the Government in India.

Oats and Barley

By the Import Duty Act passed on the 13th of August, 1933, the Government in Great Britain increased the customs duty from 10 to 20 per cent *ad valorem* on foreign oat-products and pearl barley excluding certain bye-products.

This increase did not, however, succeed in restricting the importation of foreign oats and oat products of foreign manufacture. They continued to be imported in increasing quantities and at prices, even lower than those before the imposing of the additional duty. The Government could not tolerate that and devised means to combat the situation. After all that is the Government of the people, by the people and for the people ; the result was that in the interest of the farmers and particularly in the interest of the farmers of Scotland, the "Import Duties Advisory Committee" recommended to the treasury to increase the duty on oats to 3 sh. per cwt. and on oat meal to 7 sh. 6 d. per cwt. The order was accordingly made increasing the rate of duty as recommended and this increase in duty took effect from 13th January, 1934.

The additional 10 per cent *ad valorem* duty had already been imposed on oats and oat products including oat meals from foreign sources on the 5th of September 1933. Thus making with the general 10 per cent duty, the total increase of 20 per cent was affected in all. Besides the increase in duty a voluntary arrangement was also made with the Canadian Government to limit exports from Canada to the United Kingdom during the twelve months from August 1933 to July 1934 to a figure not exceeding in case of oats, approximately the average of Canadian export in the two previous cereal years, and in the case of oat products, to a figure not exceeding the average of Canadian export in the two previous calendar years. This step was considered necessary so that the protection afforded by the increase in duty to oat growers might not be neutralised by increased export from Canada.

Fruits and Vegetables

In order to help the growers of fruits and vegetable an Act known as the "Horticultural Products (Emergency Customs Duty) Act" was passed on the 11th of December 1931. Under the provision of this Act, duties were imposed on fruits, vegetable, and flowers, at rates varying with the season ; the duties being the highest at the season when the British products of the kind did hardly come on the market.

The duties on imported straw-berry were raised to 2 sh. 6d. per lb. in the months of April and May and to 7sh. per lb. in the first half of June. The duty imposed on new potatoes was 1sh. 8d. per cwt. from the 5th of January to 29th of February and it changed to 9sh. 4d. per cwt. from the 1st of March to 31st of March and again to 4sh. 8d. per cwt. from the 1st of April to the 30th of April. The second order was passed from this Act by which a duty of 2d. per lb. was imposed from 1st June to 31st July and a duty of 1d. only per lb. was imposed from 1st August to 31st October.

Another similar Act known as the "Import Duty Act" was passed on the 29th of February 1932. This Act imposed an initial *ad valorem* duty of 10 per cent on all commodities excepting some, specially exempted, and those on which duty had already been imposed under the Abnormal Importation Act or Horticultural Products Act or on which revenue or other duties had been previously imposed. This Act provided for another Advisory Committee which had the power to make recommendations to the imposition of additional duties according to the needs. As soon as this Act came into force, the committee in no time presented the first report on which the order was issued imposing additional duties. This additional duty was of 15 per cent *ad valorem* on fruits preserved by chemical and artificial heat, and of 10 per cent *ad valorem* on vegetables (other than tomatoes) preserved in air-

tight containers. It also imposed a duty on condensed sweetened milk at the rate which would make up 10 per cent *ad valorem* taken into account the duty, if any, imposed on sugar. The duty imposed under Horticultural Products (Emergency Customs Duties) Act was however repealed in August 1932 and new duties additional to the 10 per cent *ad valorem* duty charged under the Import Duty Act 1932 were imposed on Horticultural Products on the recommendations of the Import Duty Advisory Committee. The duty imposed under the Horticultural Products Act was intended to restrict the importation of foreign produce which came upon the market before the home produce could be available. But the new duties were designed to afford protection to British growers during the period in which their produce was being marketed in bulk. Hence the period during which the duties were chargeable was in all cases extended and, in all but two cases, uniform duties were fixed to operate throughout the period.

Milk and Milk Products

In view of the increasing quantity of milk surplus over the demands for the liquid milk and in view of the accumulation of large stocks of processed milk in the hands of some manufacturers, voluntary arrangments were negotiated in the middle of 1933 with the Governments of foreign countries for the

regulation of the import of processed milk into the United Kingdom. As a result of these negotiations, the Governments of the principal supplying countries agreed to limit their exports to the United Kingdom during the months of June, July and August 1933 to a limit not exceeding 80 per cent of the quantities shipped in the corresponding period of 1932. Countries which supplied only small quantities undertook to keep their shipments at previous low levels and the Governments of Dominions agreed to limit shipments to the quantities shipped in the corresponding period of 1932. A scale for import was prepared and the principal exporting countries were asked to confirm to that scale. This scale worked from January 1934 to June 1934 as compared with the corresponding months of the period from June 1932 to May 1933. The scale is given below.

	January 1934 per cent.	February 1934 per cent.	March 1934 per cent.	April 1934 per cent.	May 1934 per cent.	June 1934 per cent.
Condensed skimmed milk.	17½	20	22½	..	22½	..
Cream ...	17½	22½	25	..	30	..
Condensed whole milk.	..	20	..	20	20	20
Milk powder	..	20	..	20	20	20

Processed Milk

For the period from July 1934 to September 1934, the Governments of exporting countries were asked to arrange for reductions in each month of the period. This reduction was to be of 22½ per cent in the import of condensed skimmed milk and of 20 per cent in the import of condensed whole-milk and milk-powder as compared with the imports during the corresponding months of 1932; and for reduction of 33½ per cent in the imports of cream during the quarter, as compared to the imports during the corresponding quarter of 1932. The Governments of Australia, Canada and New Zeland were asked to continue limiting imports to the level of the imports in the corresponding period of the year 1932-33, The Government of the Irish Free State were as ed to confine its export to Great Britain to 15% of the quantities exported in the corresponding quarter of 1933 in the case of condensed milk and to 17½ per cent in the case of cream. This arrangement continued during the first quarter of 1935, but in the second and third quarters of the same year, following reductions in the imports from foreign countries as compared with the imports in the corresponding period of 1932-33 were arranged :—

(1) Condensed whole-milk, to 35 per cent from April to June; to 40 per cent from July to September ;

(2) Milk-Powder, to 30 per cent from April to June ; to 35 per cent from July to September ;

(3) Cream, to 40 per cent from April to June ; to 45 per cent from July to September.

Similarly the Irish Free State was asked to agree to reductions to the extent of half of the reductions applied to imports from the principal foreign supplying countries based on the imports in the corresponding quarter of 1933.

The effect of the regulation of imports in 1934 was that the import of condensed whole-milk during the year was 12 per cent less than that of 1933 and 22 per cent less than that of 1932; in the case of milk-powder it was 10 per cent less than that of 1933 and 21 per cent less than that of 1932 ; in case of cream it was 23 per cent less than that of 1933 and 38 per cent less than that of 1932.

The Reorganization Committee for Milk presented its report in January 1933 and in the month of March of the same year the National Farmers Union submitted the scheme based on the recommendations of this commission, to the Minister of Agriculture. This was the Milk Marketing Scheme and it was finally approved early in September 1933. Under this scheme England and Wales were divided into 11 regions, in each of which a Regional Committee was appointed

by the registered producers in that region. For the whole country, Milk Marekting Board, also elected by the registered producers, was constituted. The Regional Committees advised this Board with regard to the working of the scheme in their respective regions. All milk producers with a few exceptions were compelled to be registered. Those who failed to do so were not allowed to sell their milk. The Board had the power to prescribe the form and the terms (including prices) of the contracts for the sale of milk by registered producers. Besides, this Board had also the authority to prescribe as the terms of the contract that the purchase price shall be paid to the Board. The fundamental principle of this scheme was that the proceeds of all sales of milk (wholesale) by the registered producers of a region may be pooled so that each producer may receive a uniform price for his milk irrespective of the fact whether it was sold for liquid consumption or for manufacture. The Board paid a reasonable premium for milk of special grades, for early deliveries, for special services or for guaranteed quality. These premiums were not to be pooled. They went to the producers who won them.

To further strengthen the position of the milk producers, Milk Act was enacted in 1933-34 which provided : "for temporarily securing to producers of milk, by means of payments out of moneys provided by Parliament, a minimum return in respect of milk

used in the manufacture of milk products ; provided for conditionally requiring payment to the exchequer of the amount of such payments ; for making out of moneys so provided, payments for the purpose to improve the quality of the milk supply and increase demand for milk ; for regulating the methods for the purposes of advertisement and sale ; for imposing and confirring certain duties and powers on boards administering Milk Marketing Scheme; and for purposes connected with the matters aforesaid" (The word within inverted commas are taken from the preamble of the Act itself.) Having seen the preamble of the Act we believe it will be interesting to the readers to know something more about the 'Act' and for that purpose in view we are inclined to quote here in extenso the first section of this Act :—"Be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows :—

Payments from and to the exchequer in respect of milk used for manufacture :—

1. Where, by means of such evidence as may be prescribed, the Board administering a milk marketing scheme satisfy the Minister —

(1) that any quantity of milk produced in the area to which the scheme applies, being milk delivered in accordance with

(*a*) a contract for the sale of milk by a registered producer otherwise than to, or

(*b*) a contract for the sale of milk by the Board, either in their own right or as agents for a registered producer, has in any of the twenty-four consecutive months falling between the end of March, nineteen hundred and thirty-four, and the beginning of April, nineteen hundred and thirty-six, been used (elsewhere than at a farm) in manufacturing any milk product; and (2) that by virtue of the terms of the contract the net cost per gallon of the milk to the purchaser is less than the standard price for that month; then, if the cheese-milk price for that month, as certified in accordance with this Act, is less than the standard price for that month, the Minister shall, out of moneys provided by Parliament, pay to the Board, in respect of each gallon comprised in that quantity of milk, a sum equal to the difference between the said cheese-milk price or the net cost per gallon of the milk to the purchaser (whichever is the greater) and the said standard price".

The policy for the maintenance of milk prices was announced in the House of Commons on the 22nd of

February 1934 by the Minister of Agriculture. This policy was embodied in the Milk Act 1931 although that Act did not receive the Royal assent until the 31st of July 1934 yet its provisions were given retrospective effect from the 1st of April 1934 and consequently advances were made from that date. The Milk Act contained two other important provisions. Firstly, it authorised the Government to provide for publicity funds for the purpose of launching a campaign for securing a pure milk supply, a sum not exceeding £7,50,000 to be spread over a period of four years. Secondly it authorised the Government to contribute from the exchequer, on a pound for pound basis, to the Milk Publicity Fund, for a period of two years. This Government contribution was to be limited to £5,00,000 in either year according to the amount contributed by the Milk Marketing Board.

Compare with this matter-of-business efforts made by the British Government the sterile and slovenly act of the Indian Government and you will know the difference. The Royal Agricultural Commission of India as far back as 1932 emphasised the point that unless adulteration was stopped, no honest man could take to business of selling milk. It further pressed that with a view to the stopping of the adulteration a proper type of legislature should be enacted. It is more than four years now that the report was made, but to this minute no action has been taken.

Let alone the fixing the price of milk and paying the difference to the milk-producer.

Advances in respect of manufacturing milk.

As we have seen above, the advances under the Milk Act 1934 were being made from the 1st of April of that year. These advances were made to the Milk Marketing Board by the Exchequer to supplement the prices received by the registered producers for manufacturing milk. The number of gallons in respect of which such advances were made and the total amount of the advances made were as follows :—

1. From April to September 1934 £426,214 in respect of 79,304,860 gallons;
2. From October 1934 to March 1935 £571,119 in respect of 73,506,544 gallons;
3. From April to June 1935 £234,722 in respect of 69,707,287 gallons.

The number of gallons of milk manufactured into cheese, at farms, in respect of which advances were made and the total amount of the advances made were as follows :

April to September 1934 £92,720 in respect of 16,045,009 gallons;

From October 1934 to March 1935 £19,950 in respect of 2,321,667 gallons;

From April 1935 to June 1935 £7,566 in respect of 2,286,876 gallons.

Northern Ireland also benefitted by the subsidies made under the Milk Act in respect of manufacturing milk. The Ministry of Agriculture and Fisheries made payment to the Northern Ireland, out of the moneys provided by Parliament as equalisation payment per gallon in respect of milk used for manufacturing cream and butter at any premises registered for such manufacture under the Act of the Northern Ireland Parliament. The equalisation payment was made with a view to raise the price to a fixed limit, i.e., *5d.* per gallon in summer and *6d.* per gallon in winter. During the period from April to September 1934 the number of gallons in respect of which the subsidy was paid was 12,147,258; the equalisation payment varied monthly from 1·3d. to 2·2d., and the total amount of the equalisation payment was £101,327. During the period from October 1934 to January 1935 the number of gallons was 6,047,834, the equalisation payment varied from 1·88d. to 2·99d. per gallon and the total amount paid was £62,063. In the two months of April and May 1935 the number of gallons was 3,331, 274, the equalisation payment varied from 1·32d. to 2·18d. and the total amount paid was £23,218.

Milk in Schools.

Besides the considerations of trade, commerce and industry, responsible Government has also to look to the health of its people and its children. So where on the one hand the Milk Act provided for the betterment of the milk industry and manufacture, it on the other hand also provided for the cheap supply of milk to the students. With that purpose in view, the Milk Act provided for a contribution from the Exchequer on a pound for pound basis to the Milk Publicity Fund for a period of two years. This contribution was to be dependent on the amount contributed by the Milk Marketing Board; but was limited to £500,000 in either year. This grant was to be continued on the approved programme for the supply of milk to schools at the reduced rate. The Milk Marketing Board of England and Wales consequently submitted the scheme for providing milk to schools. This scheme was approved by the Government and it came into operation on the 1st of October 1935. According to this scheme school children could purchase milk at 1/2d. for 1/3rd of a pint. The Board received compensation to the extent of 1/2 of its loss which was calculated at the wholesale price per gallon plus 6d. per gallon distribution cost minus 1sh. per gallon paid by the institute. The compensation was to be paid at the above rate up to the first 18,000,000 gallons, but beyond

that the compensation paid was to be 1/4th of the whole loss and not one half. The following is the table of Milk Supply Scheme in schools. The reduction in payments made by the Exchequer in months of June and July are due to the fact that in those months the amount of compensation having gone above the limit, the Board could get only one fourth of its loss.

Milk in Schools

Months.			Gallons.		Abstract of payment.
October	1934	...	1,962,912	..	£ 41,028
November	,,	...	2,445,891	..	£ 50,947
December	,,	..	1,768,707	...	£ 40,531
January	1935	...	2,170,024	..	£ 49,725
February	,,	...	2,342,694	..	£ 53,676
March	,,	..	2,383,305	..	£ 49,632
April	,,	..	1,644,582	...	£ 34,216
May	,,	..	2,234,917	..	£ 27,770
June	,,	..	1,555,080	..	£ 16,477
July	,,	..	1,516,291	..	£ 11,056

A similar scheme within the area of the Scottish Milk Marketing Scheme for supply of milk to school

children was approved by the Secretary of State for Scotland and came into operation on the 5th November 1934.

Publicity and Propaganda

All this having been done towards the supply of milk, its counter-part in the shape of the demand for milk had also to be attended to. So a scheme for increasing the demand for milk was submitted by the Milk Marketing Board for England and Wales. This scheme was approved by the Ministry of Agriculture on the 3rd of June 1935. Its cost was estimated to be £60,000 and consisted of a press and poster advertisement campaign during the summer months supplemented by the compaign amongst the retail distributors and also consisted of other methods of publicity.

But still the main work had to be done and accomplished under the Marketing Scheme. The Milk Marketing Scheme (England and Wales) came into operation in October 1933. In the first week contracts under this scheme which covered the period from the 6th of October 1933 to the 30th of September 1934, two scales of prices were prescribed for sales of milk, one being in the South Eastern Region (which included the London Metropolitan Area) and the other slightly lower scale for the other regions into which England and Wales were divided for the

purposes of this scheme. The third contract covering the 12 months from the 1st of October 1934 to the 30th of September 1935 fixed a single scale of prices for all the regions. But the price scale was fixed on monthly basis; in eight out of 12 months prices were the same in all the regions, but in the remaining four months the prices in other regions were higher than those prevailing in South Eastern Region. Taking into account the whole country, it would appear that the prices in 1934-35 (October to September) were substantially higher than those in 1933-34.

Under the Milk Act 1934, a minimum price of 5d. per gallon in summer (April to September) and 6d. per gallon in winter was guaranteed in respect of all milk manufactured in factories in Great Britain. And taking into account the advances made by the Exchequer to the Milk Marketing Board in order to cover the difference between the prices actually received for manufacturing milk and guaranteed minimum prices, the average prices obtained for manufacturing milk, were :

In August	1934	...	5·63d.	per	gallon
In September	,,	..	5·63d.	,,	,,
In October	,,	..	6·45d.	,,	,,
In November	,,	..	6·27d.	,,	,,
In December	,,	..	6·34d.	,,	,,
In January	1935	..	6·31d.	,,	,,

In February	1935	..	6·27d.	per	gallon
In March	,,	..	5·23d.	,,	,,
In April	,,	..	5·20d.	,,	,,
In May	,,	...	5·01d.	,,	,,
In June	,,	..	5·13d.	,,	,,
In July	,,	...	5·38d.	,,	,,

Having provided for all these facilities and guarantees, the Milk Marketing Board was still active in promoting some sort of competition among the producers with a view to improve the quality of the supply. And in order to gain this object, a roll of "Accredited Producers" was established by the Milk Marketing Board. Any registered milk producer who produced a Grade Certificate given under the Milk (special designations) Order 1933 was entitled to have his entire supplies on this roll. The scheme took effect from the 1st of May 1935 and after that date a bonus in addi ion to the pool prices was paid monthly at the rate of 1d. per gallon to all accredited producers. But fund for the payment of the bonus was raised by a small levy on each gallon of milk sold by registered producers.

Not in any way neglecting the hygienic demand, one more scheme called the "Attested Herds Scheme" was put forward by the Ministry of Agriculture with a view to ridding herds of tuberculosis. This scheme came into force on the 1st of February 1935. Under

this scheme the producers were entitled to another 1*d*. per gallon if they had their herds attested for official tuberculine test to make sure that the herds were free from bovine tuberculosis. Of course the condition of milk being sold through the Milk Marketing Board stood as ever. To meet the expenses of this hygienic scheme money was made available through the treasury grants and therefore this additional expense did not affect the pool prices paid to the producers generally.

We are afraid we have gone a bit too much in detail, but we were tempted to do so on account of recent interest being taken in India through intervention of His Excellency the Viceroy. His Excellency has of late shown a very keen interest in milk production and distribution in India and we are grateful to His Excellency for that; and it is due to the impetus given by His Excellency to this important branch of nation building scheme that we had ventured to place before our readers the important and substantial measures adopted in this direction in His Excellency's country. All the efforts so far made centred round the individuality and personality of His Excellency, but the needs of the country require a much wider range which, we are afraid, had not been made possible by individual efforts. Unless the Government took the responsibility upon themselves no real improvement can be expected. We

hope men at the helms of the affairs in this country will deem it worthwhile to do their duty by the country they have the honour to serve.

Potatoes

We have made mention above of the Horticultural Products Act. This Act extended its benefits and protection to the potatoes crop in Great Britain. Potato is an important crop in the United Kingdom and its protection, therefore, was very essential in the interest of the farmer. The Horticultural Products Act imposed a duty of 18sh. 8d. per cwt. on new potatoes. This duty was chargeable from the 5th of January to 29th of February. After that, the rate of duty changed. It became 9sh. 4d. per cwt. from 1st March to 31st March and again it changed to 4sh. 8d. per cwt. from 1st April to 30th April. These variations in the rates of duty were considered essential in the interest of the potato harvest and the production of new potatoes.

As in the case of milk so in the case of other products, it was always considered necessary to control the marketing. The Agricultural Marketing Act, 1931 which received the Royal assent on the 31st of July 1931 was passed for the purpose of controlling the markets of the agricultural products. The preamble of that Act will show : "The Act to enable schemes to be made for regulating the marketing of agricultural products ; to confer powers upon boards

and other bodies to be constituted in connection with, or acting for purposes connected with such schemes; to establish agricultural marketing funds for the purposes of making loans thereout to the boards aforesaid; to encourage agricultural cooperation, research and education; and to provide for purposes connected with the matters aforesaid".

The Act having been passed it still required sometime for maturing programme and schemes of working and so even before the Potato Marketing Scheme came into vogue, a voluntary arrangement was entered into. By this arrangement it was settled that during the two months from September to December 1933 imports from Netherland and Belgium had to be restricted and were not to exceed 8000 tons and 250 tons respectively. The import from Irish Free State was also limited during 6 months of the year. From January to April 1934 Netherland could export potatoes to the United Kingdom up to the limit of 8000 tons while other foreign countries were asked not to send potatoes at all to the British market. The main crop season comes to a close in May and June and therefore during these months Netherlands were asked to limit their supplies to 2000 tons in all. Irish Free States were also asked to restrict their export to 1200 tons while other countries were asked to stop their export altogether. This scheme continued till the Potato Marketing Scheme applicable to the whole of Great Britain was submitted to the Minister of

Agriculture and to the Secretary of State for Scotland by National Farmers' Union and the National Farmers' Union of Scotland. The aim of the scheme was to withdraw from sale for human consumption the quantity of potatoes regarded as surplus over the requirements of the country in any year. It was proposed that this should be done by fixing from time to time the minimum rates of potatoes required for human consumption. The surplus potatoes were to be used chiefly for stock feeding and farms, though the proposed Marketing Board had the power to develop other outlets such as the manufacture of alcohol and Ferrina.

In the summer of 1934, the Market Supply Committee presented the report submitting a plan for the regulation of imports of potatoes into the United Kingdom. This plan came into operation in November of that year. But even before this the Governments of the Irish Free State, the Netherland and Belgium were asked to limit exports to the United Kingdom during the months of September and October to the same extent to which the exports were made by them in the corresponding months of 1933 *i. e.*, thousand tons from Irish Free State and 3000 tons from Netherland and 60 tons from Belgium. Other countries were not allowed to export any potato to the United Kingdom during the months of September and October.

The Potato (Import Regulation) order, 1934, was issued by the Board of Trade on the 29th October 1934. This order was issued under section 1 of the Agricultural Marketing Act, 1933. The order which came into force on the 18th of November prohibited importation of potato from all foreign countries as also from the Irish Free State, except under a licence. Imports were regulated according to the available supplies of home-grown potatoes and the demand of the market. The permissible quantity of imports used to be determined provisionally for three months in advance. But the figures were adjusted monthly in the light of the market experience.

The Board of Trade had the authority to give licence to individual importers or to any association of importers which could in its turn issue licence to its members in the form of a certificate. A great majority of importers, consequently became members of the specially constituted Potato Importers Association to which a general licence was issued. This association allocated amongst its members the total quantity that was licensed by the Board of Trade to import. These allocations used to be made on the basis of the importation in the past period. Individual importers who were not the members of the association could also receive allocations direct from the Board of Trade. In accordance with this system total quotas for the main crop potatoes were fixed

from time to time. The imports from September to October fell considerably short of the quantities fixed by voluntary arrangement before this order came into operation with the result that the total imports from September 1934 to June 1935 were only 8500 tons as compared with 16900 tons in 1933-34 and 44300 tons in 1932-33. These quantities represented only the small percentage of the total net main crop supplies which were 3,715,000 tons in 1934-35, 3,749.000 tons in 1933-34 and 3,736,000 tons in 1932-33. Besides, the main crop potatoes, quotas were also prescribed for early potatoes the imports of which were in addition subjected to a duty of 4sh. 8d. per cwt.

The Board also endeavoured in various ways to develop new outlets for potatoes. It conducted a publicity campaign and made arrangements with a company for manufacturing the cattle feed from surplus potatoes. In February and March 1935 it made experiment in the sale of potatoes at specially low prices to the unemployed in a selected town of about 10000 inhabitants. The result of this experiment appeared encouraging, as due to it, the total sales increased largely (by about 91 per cent.), but on the other hand normal sales fell by about 40 per cent. The experiment, therefore, could not be prosecuted further without providing effective safeguards against the damage to the normal sales.

It is claimed that through the Marketing Board and by the restriction of potato imports, the producer of Great Britain got an additional return of £7/18 per acre in 1934-35 as compared with what he had got in 1933-34.

There was yet another Agricultural Marketing Act, 1933 which received the Royal assent on the 18th of July 1933. The main purpose of this Act was te enable steps to be taken for regulation of the supply of products in cases where such regulations were necessary to facilitate the reorganisation of the branch of agricultural industry by the scheme under Agricultural Marketing Act of 1931 to be fully effective. This Act was in fact a supplement to the previous Act. Power was given to the Board of Trade to regulate imports and to the Minister responsible for Agriculture to regulate the home output of any product which was a subject of import order. Provision was also made in this Act for the appointment of a Market Supply Committee to advise the Ministers in regard to the regulation of supply. Another important provision of this Act was that it rendered possible the organisation of the production and manufactured products under the Development Scheme to be administered jointly by the Marketing Board set up to organize the marketing of the manufactured product concerned and the primary agricultural product from which it was derived.

Credits

Having secured all the phase of demand and supply, the Government gave its full consideration to the financial aspect of trade and commerce. The Agricultural Mortgage Corporation Ltd. was established under the special Act of Parliament This corporation advanced loans and it is claimed that up to 31st March 1932 it had lent £8,817,468 in long terms loans to farmers and land owners. This corporation, though established under the Special Act of Parliament, yet was not a State Institution. The loan facilities were also provided through State Agency and the statistics show that up to the 31st of March 1932 the Government had also advanced loans to the extent of £65,30,375. As the name of the corporation denotes, it advanced loans on the mortgage basis and according to the accounts of the corporation, land to the extent of 595,038 acres valued at nearly £14,000,000 came under the Mortgage with the corporation and the fact is worth noting that 25 per cent of the borrowers were only small farmers whose loans did not exceed £100 each.

National Marks

All that has been said above relates to the prosperity of the farmers and the development of commerce, industry and trade, but the interests of the purchaser were also equally looked after by giving a guarantee that the purchaser was getting exactly the

thing he was paying for. The credit for introducing the scheme in this behalf goes to the Government of Denmark which first introduced the method of devising special marks or brands for the articles exported out of their country. These marks served the purpose of identifying the true nature of the articles purchased and also introduced names for the different articles. In other words it created a 'language of the market'. The idea was taken up by other countries afterwards and every one realized the importance of this scheme. The Mark, which was a guarantee for the quality of the article served as a good advertisement for sale provided a scrupulous care was taken against dishonest use of the mark. The Government of the United Kingdom saw the importance of this method for their internal marketing and they at once decided that marks may be introduced on behalf of the Government so that there may be a sort of guarantee for the quality of the article purchased. The National Marks were applied first to bottled fruits, vegetables and the honey and to canned fruits etc. The cultivator was much benefitted by the introduction of the National Mark and now 2/3rd of the fruits and vegetable on the market bear national mark. The following table will show how rapid was the advance made by the National Mark Scheme.

Year.	No. of farms engaged.	No. of canning factories.	Estimated appro. output in cwt.
1928	25	30	132,000
1929	27	32	272,000
1930	35	40	570,000
1931	49	56	1,380,000

During the year 1932-33 the system of National Mark was steadily extended. This scheme was introduced for goose berries, logan berries, rasp berries, red currants, black currants, asparagus, cabbage lettuce, cauli flower, broccoli, blunched carrots and grey peas. This scheme was also under consideration for introducing it to other vegetables as well as to jams and cheese. The result was that the number of authorised canners rose to 40 operating 52 factories in October 1932. The export trade is being developed in fruits and vegetables canned under the National Mark, and, in consequence of the growing demands by retailers for National Marked fresh fruits and vegetables, the Ministry of Agriculture decided to compile a list of wholesale distributors who were prepared to deal in produce packed under the National Marks. But it goes without saying that for this scheme to succeed, the Government must be in the charge of it.

We are glad that after all the Government of India passed " The Agricultural Produce (Grading and Marking) Act 1937. Though the provisions of the Act are halting, the penalty ineffective, yet it is a step in the right direction provided it is made applicable to most of the agricultural produce at an early date and time is not lost in holding conferences and appointing committees. After all better late than never. We wish the Act may be made applicable to all the food articles at once and the penalty provided be that of imprisonment and closure of shops after the first offence.

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Irish Free State

A study of the conditions of Irish Free State will not be without interest considering its political position and the constant struggle and disputes it has been involved in for years with the United Kingdom. This continuous struggle had naturally its repurcussion in the economic field. The United Kingdom in the course of the continuous struggle offered by Ireland have resorted to raising very high import duties against it. You will see presently that in spite of the fact that British Government imposed a 20 per cent *ad valorom* duty on imports from the Irish Free State on live animals, butter, eggs, cream, bacon, pork, poultry and game, and other meat of all kinds still the Irish Free State could manage to keep their farmers in a sufficiently solvent state and according to the calculation made by an Irish economist the aggregate gross cash income of the Free State farmers was £26,000,000 in 1934. Thus we find that while working against odds the reduction in the income was in the proportion of 26 : 24 only *i. e*, less than 5 per cent. But in India in spite of no adverse circumstances the gross income of the cultivator has fallen by about 53 per cent. It is deplorable that while the British Government protect their own country in

number of ways and keep the farmers on the land, they have done nothing to save him from ruin and starvation here. A small amount of Rs. one crore given by the Government of India, more for propaganda purposes than help, is considered here to be the height of charity.

The different measures that the Irish Free State took in order to fight with the depression are very interesting and helpful.

Protective Duties

Numerous protective duties were imposed in the year 1931-32. Duty on butter was imposed ; later on duties on oats at 2sh. 6d. per cwt., on bacon ranging from 5sh. to 50sh. per cwt., according to the price ; on potatoes 28sh. per cwt., on milk imported in bulk 4sh. 6d. per gallon, on cream imported in sealed tins and condensed milk 60sh. per cwt., on meat and dead poultry 6d. per lb. were imposed.

The import of cheese was prohibited and duties were also imposed on tinned meat at 84sh. per cwt., on eggs 12sh. per hundred, on vegetable 1s. per lb., on maize, oats and barley in grain 7sh. 6d. per cwt., on malted barley 10sh. 6d. per cwt., on oatmeal 15sh. per cwt., on hay and straw 9sh. per cwt., on foods and medicines for animals' internal use 42sh. per cwt. or 3sh. 9d. per gallon, on maize meal 9sh. per cwt., during the year 1932-33. In each case a preferential

rate of duty, equal to two thirds of the full duty, was applied to articles imported from Great Britain or the British Dominions.

Local Taxation

In March 1933 the Government decided to allocate £ 1,750,000 for the relief of the agricultural lands from local rates. Of this sum, £ 250,000 was specially allocated for the relief of the first £10 of valuation of agricultural holdings.

From 8th November 1933 the following bounties were paid by the Government :—

1. On horses exported to Great Britain and Northern Ireland 10 % of the value as assessed for British Customs Duty.
2. On turkeys at 3d. per lb.
3. On guinea fowl at 2d. per lb.
4. On other dead poultry at 3½d. per lb.

An additional bounty of 2d. per lb. was granted on dead poultry in May 1934. A bounty on eggs was at the same time raised by 2sh. per 100, making, with the bounty previously in force, a total of 4sh. per hundred. A bounty of £4 per ton was paid on new and early potatoes exported to the United Kingdom from 26th May to 30th June 1934 and this bounty was reduced in July and August to £1-17 sh. per ton, while in certain scheduled districts bounty in these month was paid at £2 per ton. The existing

bounty on old potatoes remainad unchanged. The export bounty on horses was increased to 20 per cent on the value from 1st August 1934.

Sugar Beet

Renewed efforts were made to foster the growing of sugar beet in the Irish Free State and a new policy was put into operation. The Irish Sugar Company was formed in September 1933 with a capital of £ 2,000,000 of which £ 500,000 was contributed by the State. The company purchased the assets and undertaking of the existing Beet Sugar Factory and erected three new factories after having secured promises to cultivate a total of 13,000 acres of sugar beet from farmers in the vicinity of each selected site.

No subsidy was to be paid on the growing of sugar beet, but a minimum price of 30 sh. per ton had been guaranteed; the pulp being returned to the farmers.

It is expected that when the new factories will be at work the imports of sugar will be reduced to the extent of about £ 800,000 per annum. On the other hand the cost of sugar to the consumer will be increased by ½d. or ¾d. per lb.

Dairy Produce

The Dairy Produce (Price Stabilisation) Act became law in July 1932. This Act provided for the payment of an export bounty on butter and

other milk products. The amount of bounty could be varied from time to time and could not exceed the rate of the duty on imported butter which when the Act was passed, was 4d. per lb. To raise funds for the bounty a levy of 2d. per lb., was made on the manufacturers, but this levy was reduced in the case of creameries of recent formation, which had not yet had time to become firmly established. The creameries had a direct benefit of 2d. per lb., on exported butter while the factories and farmers manufacturing butter had a very small direct benefit, but benefitted by the rise in the price of factory and farm butter which tended to advance in sympathy with that of creamery butter.

From 31st July 1932 the creameries were guaranteed a subsidy which would bring the price of butter up to 117sh. per cwt., free on rail. An export bounty of 20sh. a cwt. was also paid to the exporters of factory and farm butter. From 1st April 1933 it was laid down that a subsidy not to exceed 31sh. per cwt. would be paid on all creamery butter exported, provided that the export value of such butter, including bounty under the Dairy Produce (Price Stabilisation) Act and subsidy did not exceed 130sh. per cwt. On factory butter the subsidy was not to exceed 27sh. nor a sum 4sh. per cwt., less than the subsidy payable on creamery butter at any time.

The system of giving bounties was continued in 1933-34. The rates both of levies and bounties were

changed. The following statement indicates the rates then fixed with the previous rates, fixed on 13th April 1933 (we have given in bracket the general rate of levy.)

On creamery butter 3½d. per lbs. (3d. per lbs); general rate of levy on non-creamery butter 2d. per lbs. (unchanged); special rate of levy on non-creamery butter 1⅝d. per lbs. (1½d. per lbs.) ; general rate of bounty on factory butter 2½d. per lbs. (unchanged), rate of bounty on milk products 1¾d. per lbs. (2½d. per lbs.)

With a view to restrict the import of butter into the Irish Free State during the winter months, when home production is small, the export of butter was prohibited as from 22nd September 1933, in order that stocks might be accumulated in cold storage. At the same time it was announced that the Dairy Disposal Company would be prepared to purchase any butter offered for sale at 13 sh. per cwt., delivered in cold store.

Credit

A partial moratorium was granted in June 1932 with regard to arrears of land purchase annuities which accrued due up to December 1931. Where the land Commission was satisfied that the default had arisen from circumstances beyond the control of the farmers concerned, a year's grace was allowed and payment was accepted in instalments commencing from 1st May 1933.

Cereals and Wheat

A very important Act became Law on the 24th May 1933 known as Agricultural Produce (Cereals) Act. Under this Act the import duties on cereals products were repealed and the importation of these articles were prohibited except by licence.

Most of the provisions of the Agricultural Produce (Cereals) Act relate to wheat. It being the declared policy of the Government to foster wheat-growing in order tc reduce imports of wheat, and wheat flour, which now amounted in value to roughly £3,500,000. No person was allowed to carry on the business of milling wheat unless he held a milling licence granted by the Ministry for Industry and Commerce. To be allowed to mill home-grown wheat the holder of a milling licence must also hold a milling permit granted by the same Ministry. In granting a milling licence in respect of any mill, the Minister fixed a quota for that mill, and the holder of the milling licence was compelled to mill, in each cereal year, the amount of wheat fixed as the quota. If the holder of a milling licence milled more than the quota assigned to him he had to pay to the Minister for Industry and Commerce a sum of 3sh. for every 400 lb. of wheat milled in excess of the quota.

The holder of a milling licence was also compelled to mill annually a percentage of home-grown wheat, the percentage being fixed at the beginning of each

cereal year by an order made by the Minister of Industry and Commerce after consultation with the Minister of Agriculture. It was permissible for the millers to arrange with another miller to mill the quantity of home-grown wheat that he was under obligation to mill.

On wheat milled at "inland" mills, which are defined as mills other than those situated within five miles of the principal post-offices of Dublin, Cork or Limerick, a subsidy was to be given. The amount of the subsidy was fixed by the Minister of Finance, after consultation with the Minister for Industry and Commerce, for each mill, but was not in any case to exceed 1sh. for every hundred pounds of wheat milled. The Minister of Finance could also fix a maximum amount beyond which the subsidy was not to be paid on wheat milled at an inland mill.

Registers of flour importers and of distillers were kept by the Minister for Industry and Commerce, and registers of wheat importers, of wheat dealers, of wheat growers, of maize importers and of manufacturers of compound feeding-stuffs were kept by the Minister of Agriculture. It was unlawful for unregistered persons to carry on the business of purchasing home-grown wheat for re-sale, to mill maize, or to manufacture any compound feeding stuff.

The Act imposed a number of restrictions on the sale of maize, maize meal, and maize meal mixtures.

Amongst other restrictions imposed, a registered maize miller could only sell maize meal wholesale under a licence granted by the Minister of Agriculture, and the Minister could attach to the licence such conditions as he thinks fit. By an order made under the Act, it had been laid down that all maize meal sold must contain an admixture of 15 per cent of meal made from home-grown cereals.

Restrictions were also imposed by the Act on the importation of flour, of bread, biscuits, etc., of wheat, of maize, of oats, hay and straw. Broadly speaking, these products could only be imported under licence granted by the Ministry of Industry and Commerce in the case of flour and of bread and biscuits etc., or by the Minister of Agriculture in the case of other products named. Similar restrictions were also imposed on the importation of a number of feeding-stuffs, of which a list is given in the Act, and the Minister of Agriculture had the power to add other articles to the list.

Bounty was also granted to wheat growers, under the Agricultural Produce (Cereals) Act, on their sales of home grown millable wheat. In order to calculate this bounty the cereal year was divided into three periods, known as "sale (wheat) seasons." These periods were from 1st August to 15th December, from 15th January to 15th April, and from 1st May to 31st July. For each of these seasons a standard

price for wheat was fixed, and the average price during the sale season was calculated from the certificates of actual sales. The bounty paid was the difference between the standard price and the ascertained average price. The following is the standard and bounty granted and the ascertained average prices in 1933-34. It will give an idea to the readers as to what amount was given to the wheat growers in that year :—

	1st August 1933 to 15th December, 1933.	15th January, 1934 to 15tb April 1934.	1st May 1934 to 31st July, 1934.
Standard price ..	23sh. 6d.	25sh. 0d.	25sh. 0d.
Ascertained average price.	16sh. 6d.	16sh. 6d.	16sh. 7d.
Bounty ..	7sh. 0d.	8sh. 6d.	8sh. 5d.

Early in October 1933, a new Order was issued raising to 33·1/3 per cent, the proportion of home-grown cereals to be included in a maize meal mixture. An exception was, however, made in the case when the mixture consisted of maize meal and of oatmeal in the grinding of which only the kernels of the oats were used. In this case the proportion could be two parts of oatmeal to seven parts of maize meal.

At the same time the Government put forward a scheme regarding the purchase of white oats of the 1933 crop. Under this scheme if merchants agreed

to pay the growers in respect of all such oats, purchased by them on or after 6th November 1933 a price not less than 5sh. 2d. per cwt., delivered at the merchant's store; the Minister for Agriculture would take over all stocks remaining unsold in the merchants' stores on 30th June 1934 at the price of 6sh. per cwt., free on rail.

Germany

Germany is one of the foremost industrial countries of the world. The population of the country depends to a small extent upon agriculture, yet the interest shown by the government in protecting their farmers, inspite of the fact that they are said to have their finances, after the War, in a very bad condition, is simply surprising.

Before giving a detailed description of the different measures adopted, it will be very beneficial to narrate the policy of the present Government. In 1933 the present Government came into power but the party in power had framed their programme as early as the 6th of March 1930 and they have tried to abide by the very letter of that programme. In their programme they stated clearly that the country should not depend for the production of food on any other country : " Germany can only be saved from the thraldom", according to this programme, " if it is able to produce essential foodstuffs in the country." " The increased production of German agriculture is, therefore, a question of life and death for the German nation ". It further stated : "Moreover, a rural population, economically sound, with abundant purchasing power, is essential to our

industry which will in future have to look for more and more openings in the home market."

"We not only recognize this predominant importance of the working classes for our nation, but we also see in the rural population, the principal bearers of the nation's inheritance of health, the source of the nation's youth, and the backbone of its defensive forces."

"The maintenance of an efficient agricultural class, increasing in numbers as the general population increases, is a cornerstone of the National Socialist policy, since this is directed towards the welfare of all our people in the generations to come."

The programme stated the causes as to why farming is not profitable in Germany. The programme enumerated the following causes:—

"1. Existing fiscal policy lays excessive burdens on agriculture ;

2. Competition with foreign agriculture, which enjoys more favourable conditions and is insufficiently checked by the fiscal policy, which is hostile to German agriculture.

3. Extravagant profits of wholesale trade, which thrust themselves in between the producer and consumer of agricultural produce;

4 Oppressive rates which the farmer has to pay for electric power and artificial manures ;

5. The high taxation cannot be met out of the poor returns for labour on the land. The farmer is

forced to run into debt and to pay usurious interest for loans. He sinks deeper and deeper under this tyranny, and in the end forfeits house and farm to the money-lender...."

Most of the above causes are simply true in the case of our country also.

The programme contemplated the German agricultural policy and suggested several methods by which the expropriation of German farming population could be avoided, out of which some extracts we give below, as their study will be of interest to those who are interested in the masses.

"The German soil may not become an object of financial speculation; nor may it provide an unearned income for its owner. It may be acquired only by him who is prepared to cultivate it himsef. Therefore the State has a right of pre-emption on every sale of land."

"It is forbidden to pledge land to private lenders. The necessary loans for cultivation will be granted to farmers for cultivation either by associations recognized by the State, or by the State itself."

"Dues will be paid to the State for the use of land according to the extent and quality of the property. By this tax on the produce of the soil any further taxation of agricultural land or agriculture will be obviated."

"The inheritance of landed property will be so regulated by law of inheritance as to prevent sub-division of property and the accumulation of debt upon it."

"The State has the right to confiscate, on payment of adequate indemnity:

(*a*) Land which is not in the possession of German nationals ;

(*b*) Land which—according to the judgment of a competent law court—is no longer serving towards the maintenance of the people, owing to bad and irresponsible exploitation;

(*c*) Parts of large estates not exploited by the owner himself, for the purpose of settling a free peasantry ;

(*d*) Land required for special State purposes in the interests of the community as a whole (*e.g.*, for communications and national defence)."

"It is the duty of the State to settle such land as becomes available, in accordance with a general population policy."

"The land shall be allotted to the settlers as a hereditary possession under conditions which shall make a livelihood possible."

"Settlers shall be selected by examination as to their civic and professional suitability. Special favour

shall be shown to sons of farmers who have not the right to inherit."

The Farming Class Must Be Uplifted Economically and Educationally

"It is the duty of the State to promote the economic and cultural uplifting of the farming population, conformably with its importance to the nation as a whole, and thereby to remove one of the chief causes of the flight from the land."

"1. The present poverty of the land population must be at once relieved by remissions of taxation and other special measures. Further indebtedness must be checked by statutory reduction of the rate of interest on loans to that of the pre-war period and by summary action against extortionate creditors."

"2. It must be the State's agricultural policy to see to it that farming be made to pay once more."

"German agriculture must be protected by tariffs, State regulation of imports, and a scheme of national training."

"The fixing of prices for agricultural produce must be withdrawn from the influence of Stock Exchange speculation, and a stop must be put to the exploitation of the agricultural interest by the large middlemen, the transfer of whose business to agricultural cooperative associations must be encouraged by the State."

"It shall be the task of such professional organizations to reduce the running expenses of farmers and increase production. (Provision of implements, manuers, seed and breeding stock, on favourable conditions, improvements, war against vermin, free advice, chemical research, etc.) The State shall provide generous assistance to the professional organizations in carrying out their task. In particular the State must insist on a considerable reduction in the cost, to farmers, of artificial manures and electric power.

"3. It will also be the duty of the professional organizations to establish a class of farm labourers as members of the farming community by contracts which are socially just. Supervision and arbitration in these matters will be the function of the State."

"It must be made possible for good labourers to rise to the status of farm-owners."

"The necessary improvements in living conditions and wages of farm labourers will ensue as soon as the general farming situation improves. When these conditions take a turn for the better it will be no longer necessary to employ foreign labour on the land, and this custom will in future be forbidden."

"4. The national importance of the farming class requires that the State shall promote technical education in agriculture. (Homes for children of farmers,

agricultural high-schools, with very favourable terms for talented boys without means)."

The above extracts will give an idea to the readers of the way and method in which the German Government looks at the agricultural interests of its country. It is possible that all these methods may not prove profitable under the conditions prevailing in our country, still they clearly give clue to the mind of national government that sets its heart to the real progress and improvement of its country.

The German Government set up a system of the protection of agriculture in the years 1929, 1930 and 1931. These measures consist of export duty, defences of prices, necessity on the use of certain home produced material, prohibition of imports and the centralization of imports. The Government of Germany, like any other independent government of Europe, provided such facilities and such restrictions as it considered essential. We propose in the following pages to deal with some of the articles to show how the Goveinment of Germany has protected them on all sides :—

Cereals

In order to facilitate the marketing of cereals the use of warrants was regulated. By the order dated 6th of August 1931, right of issuing negotiable warrants was granted to the German Grain Company.

By a later order dated the 16th of December 1931, supreme authorities of the different States were authorised to promote storage undertakings and issue warrants, provided that these undertakings complied with certain requirements.

Wheat

In respect of wheat it was laid down that from the 1st of August 1931 to the 15th of August 1931 60 per cent of home grown wheat must be used for flour and from 15th of August onward up to the end of economic year this percentage must go up to 97. While in respect of the mills organized for grinding of foreign wheat specific regulations were laid down. They were allowed to substitue foreign wheat up to 27 per cent, on condition that the corresponding quantity of home-grown wheat was exported. To make possible the exchange of home-grown wheat with foreign wheat—the exchange which is often desired for reasons quoted—and at the same time to lighten the difficulties of marketing which occur as a result of bad credit conditions after every harvest, special regulations for the export of wheat and rye were issued. To further safeguard the position, a measure was brought into force on the 24th of August 1931 according to which a duty of 2 Rms per quintal was made payable on the reimportation of wheat and a duty of 1 Rm. per quintal on the reimportation of rye if a certificate could be produced proving the

exportation of corresponding quantity of the German wheat or rye. The exportation was limited to the period ending 31st of December 1931 while the importation could continue up to 31st of July 1931. The percentage of compulsory admixture of home-grown wheat was generally fixed at 97 per cent for the whole of the year 1932-33 and it was only for a certain number of mills that the percentage was reduced to 70 per cent.

Financing and Marketing.

In the interest of stock breeding and of cereal growing, the Government purchased rye for the purpose of maintaining at a high level the prices of cereals. The rye purchased was coloured with eosin and was resold at the low prices for feeding stock. At the same time those who purchased coloured rye and home-grown barley were allowed to import barley at the appreciable reduced customs duty. Besides, in order to lessen the pressure on the prices of cereals after the harvest and to facilitate the exchange of cereals necessary to a certain extent, exchange permits were issued (as in the preceding year) for the export of rye, wheat and of their milled products. These permits gave the right to import the same cereal later on free of duty or at reduced customs duty. A similar system was also introduced for the export of oats, milled products of oats, malt groats, semolina, barley flakes and seed grain. Because in order to reduce the pressure on the prices

of cereals after the harvest such financing was necessary and because in view of the heavy indebtedness of the farmers it was essential to prevent the crops from being thrown on the market at ruinous prices, the Reich Bank, therefore, opened credits to the amount of 150 millions of Rms for the purpose of making advances on agreements for the supply of grain and for the purpose of advancing loans on the pledge of grain. The loans on the pledge of grain were facilitated to render possible to a large extent by establishing legal and commercial grade of wheat, rye, malting barley, food barley and oats. These crops were introduced by the order of the Reich Minister for Food Supply and Agriculture dated 3rd August 1932.

Germany could completely meet all its demand for bread grains in 1932-33 and it also succeeded in reducing appreciably the importation of feed grains. The following table will give an instructive idea as to the decrease in the import of feed grains (flour being calculated at its equivalent in grain in thousand of tons) during the years 1926-1933 :—

1926-27	6819
1927-28	6316
1928-29	3886
1929-30	3246
1930-31	2104
1931-32	2580
1932-33	866

Regulating Agricultural Products

Two laws of fundamental importance were also passed, one was the law of the Reich on the Corporation of Agriculture ; this was dated 13th of September 1933 and the other law was the Law of the Reich on the Hereditary Peasant Farms dated 29th September 1933. The second law aimed at assuring the conservation of the peasant class and the prevention of excessive indebtedness of the agriculture from its disastrous consequences. The indebtedness of agriculture had of course immensely increased during the last ten years. The first law *i. e.*, the Law of the Reich on the Corporation of Agriculture aimed at concentration of all German agriculture in one official corportation having an independent administration. Under this Law the Reich Minister for Food Supply and Agriculture could, if he considered desirable in the interest of national economy and public welfare, authorise the Corporation of Agriculture the price-margins of agricultural products. This Law laid down the basis and the conditions for regulation of the markets *i. e.*, for a disciplined organization of agriculture and also to help the regulation of the agricultural markets. Consequently the markets for cereals, oils, fats, milk, dairy products, slaughter cattle, meat, eggs, fruits and vegetables, potato flour and some other products were regulated.

One regulation could not conveniently be made for all the markets and therefore different regulations were adopted for different markets according to the special conditions of the market as also of the special conditions of the commodity itself. Though the regulation were different, but they all aimed at organising the markets in such a way as to establish an equilibrium between production and demand. This was done by fixing prices, by standardising prices and by assuring equitable prices to the producer. These prices were so prescribed that they could be adequate to the producer on the one hand as also to the consumer on the other hand. This naturally helped the movement of goods from the producer towards the consumer. And all this was achieved by the help of the independent Vocational Administration. Having made the regulations, their working was entrusted to the Market Associations which consisted of the producers, the transformers and the dealers. These Market Associations were designed exclusively to provide a machinery. They had nothing to do with the actual carrying out of the business. The State went further and prescribed the rule for basic principle that the State and the Public Associations must not themselves do any trade, but must confine themselves to the work of supervision and directing it in accordance with the maxim "Public good takes precedence over private good".

Efforts were also made to eliminate superfluous speculation which, as admitted at all hands, has in the period of crisis proved quite as harmful to honest commerce as to agriculture. It goes without saying that speculation has always prevented agriculturist from obtaining well-merited profits of their labour.

The quantity, the price, and the right time of importation to suit the conditions of the market were established with regard to practically all the articles of trade and in doing so full regard was made to the conditions and situation of the markets of the foreign countries. And as such the regulations responded to the needs of the foreign markets as well as to the state of the agricultural policy of the German Government. Regulation of the year 1933-34 will show that the regulation of the market was given the most important place in the entire agricultural policy.

The law of the 26th September 1933 as prescribing the regulation of the grain market authorised the Minister of the Reich for Food Supply and Agriculture to fix the minimum prices for rye and wheat. The producer was assured to receive that minimum price. By the subsequent ordinance dated 29th of September 1933 the prices for the farming year 1933-34 were fixed on the basis of the results of the observations extending over a number of years and graduated according to the month of sale according to the locality *i.e.*, economic region. These prices were fixed for sound dry grain of average quality. As for the

grain of superior quality additional payments were admissible.

The regulation regarding the imports of cereals, already introduced, remained in force side by side with the establishment of prices. Besides, special measures were being enacted from time to time providing for loans on pledge of cereals and for the exchange of national cereals against foreign grains.

The grouping of mills, milling rye or wheat or such mills which had milled rye or wheat were considered essential and therefore by virtue of the law of the 15th of September 1933 an ordinance was passed on the 5th of November 1933 with the object of regulating the utilization of rye and wheat of national origin. In pursuance of this ordinance the Minister of Food Supply and Agriculture prescribed rules :—

1. as to the conditions under which the working of a mill was permitted;
2. as to the conditions for the erection of a new mill or for the extension of the activity or of the outturn capacity of mills already in existence ; and
3. as to the method of regulating the degree of utilization of the already existing mills.

The object of the grouping of mills was to eliminate unfair competition and under-bidding and to guarantee a fair price in the interest of producer and

consumer. As a result of this, the system of quota was introduced in respect of the quantity of wheat or rye to be milled by any one mill. The production of certain defined types of flours was prescribed and supervision of price formation was also introduced. In the economic year 1933-34 the prices of feed grains remained free. But it was hoped on the one hand, that the fixing of minimum prices for rye would contribute towards the defence of the prices and, on the other hand, that the inclusion in the monopoly of concentrated fording stuffs of foreign origin or manufactured with foreign raw material would have a similar effect. Official prices for these products were nevertheless fixed in 1934. These measures resulted in ensuring in general in 1933-34 an orderly market of the cereal harvest.

Another ordinance for the regulation of the grain market was enacted on the 14th of July 1934. This ordinance went considerably further than the preceding one regarding regulation of the Market for Agricultural Products. The object of this ordinance was the regulation of the whole trade in cereals and cereal products from grower to consumer and it also included in itself the trade in bread grains and fodder grains. It included in its purview:—

1. growing of national cereals;
2. milling of cereals or manufacture of cereal products;

3. distribution of cereals or cereal products; and
4. making of bread.

This ordinance also introduced a provisional regulation for delivery and utilization of national rye and wheat. Until the sales were regulated by the associations mentioned above, every grower of national rye and wheat, whose agricultural land during the farming year 1934-35 exceeded 5 hectares was obliged to deliver his product for purposes of human food or technical purposes. If the grower did not find a purchaser for the quantity thus stated to be delivered, the competent association for cereal production and sale was expected to find an opening for the sale The grower could use his rye and wheat freely on his own farm, but its sale could only be permitted for the purposes of food or for technical object.

Regulation of the sale of fruit and vegetables

The first law for the regulation of the sale of fruit and vegetables was passed on the 13th of July 1933. It authorised different German States to centralize the sale of fruit and vegetables in places where there were installations for wholesale, sale either by wholesale dealers recognized by the authorities or by those running on cooperative or on joint basis system.

Under the terms of Law on the Corporation of Agriculture, an order was issued on the 19th of

February 1934 regarding the regulation of prices and price-margins and also regarding the conditions of sale for nursery garden produce. Later on by the order dated 22nd of June 1934 the basis was laid down for a wide regulation of the sale of all products, not transformed, of the cultivation of fruit, vegetables, flowers and flower seeds. This order made possible the fixing of uniform prescriptions in regard to grading and marking and also with regard to the establishing of joint installations for preparati n and sale and to the fixing of prices and price-margins for important products.

All this was being done to avoid competition with foreign imports and to provide a suitable market for the home produce. If it can be possible to organize big markets in India on the same lines there can be no doubt that foreign fruit and vegetables can be eliminated from the Indian market and thus Indian growers can be benefited. Growers can by this method secure better prices for their produce and can also attempt to take to the production of better kinds of fruits. Will the departments of Government will do their duty by the people ?

Potatoes and other crops

In order to encourage the use of substances rich in carbohydrate, produced in the country and also with a view to reduce the disadvantageous effects on

stock breeding brought about by the protection granted to cereal marketing, measures were taken under the order dated 26th of November 1931. According to this order whoever bought a ton of flaked potatoes from the German Grain Trade Company obtained the authorisation to import three tons of feeding barley, at the reduced customs duty of 40 Rms per ton. For the same purpose as also to revive the home market for barley another measure was adopted on the 15th of December 1931 under which it was permissible to import two tons of feed, barley at customs duty of 40 Rms per ton on condition of purchasing from the German Grain Trade Company a ton of home-grown feed barley. The maize monopoly was prolonged for further two years on the 1st of April 1931 and in order to improve the situation of poultry keeping, a certain quantity of feed wheat was permitted to be imported free of duty.

Crops of potatoes were abundant in the years 1932 and 1933 and, therefore, a scientific utilization of this product was found necessary. An Emergency Decree dated 1st December 1930 was passed with a view to encourage the use of potato for feeding. The admixture of potato starch flour in bread and in confectionery made of wheat flour was allowed up to 10 per cent without the necessity of expressly notifying this fact. Similarly another Emergency Decree

was passed on the 6th of October 1931 by which the compulsory utilization of potato starch flour in business using wheat flour for making bread and confectionery was introduced with a view to provide further relief to potato growers. The regulation, so made, permitted the mixture of alcohol with motor spirit. The importers and producers of motor spirit were compelled to buy from the Administration of the Alcohol Monopoly of Reich quantity equal to 2½ per cent of the spirit imported or produced by them, otherwise they were required to pay a certain tax. This proportion was raised subsequently to 3½ per cent on the 1st of April 1931 and was again raised to 6 per cent on the 1st of November 1931. The total imports of potato in July 1932 were limited to 70 per cent of the total import of potatoes during the month of July 1930, and July 1931.

To help hops markets, compulsory use of hop was introduced from 1st of September 1931. In the case of hops cheap credits were provided for wine, fruit and tobacco, to enable the producers to overcome the difficulties of selling these products. These measures closed the market of Germany to the world so far as the food grains were concerned.

Regulation for the sale of potatoes

The speculative character of the market for spring potatoes resulting from the continuous fluctuation of prices, led to voluntary formation of organaiztions of

producers of spring potatoes, in 1933. On the basis of the experience of this organization, orders under law of the Corporation of Agriculture were issued on the 17th of February, 9th May, and 29th May, 1934 for the regulation of the sale of spring potatoes By these orders, the Corporation of Agriculture was authorised to prescribe measures to be followed by the producers of spring potatoes in different regions of production as also by the specified officers of organizations for the sale of spring potatoes. These measures were also directed to the observance of special rules with regard to grading, packing, control of consignments and indication of origin. The Corporation of Agriculture was further authorised to set up installation with a view to meet the orderly supply of the different regions of consumption, to prohibit the consignment by rail of unsold potatoes and also to fix prices, minimum prices and price-margins for the sale of spring potatoes. Consignments of spring potatoes had to be made in uniform sacks bearing the indication of the region of production. The consignment by trucks of unsold home-grown or imported potatoes were forbidden because the experience had shown that it exercised a strong pressure on prices, as on the arrival of the potatoes their disposal was considered disirable at any price obtained. Potatoes supplied direct from the producer to the consumer were of course not affected by these measures.

For the purpose of regulating the potato market, the potato growers, the manufacturers of potato fecula and potato flour, the potato starch industry and persons in any manner connected with this trade in the territory of each regional corporation of agriculture were formed into associations for the sale of potatoes, and these associations combined to form a single association for the sale of potatoes. This innovation did away with the institutions previously created such as, office of Market Commissioner introduced in 1934 with a view to the regulation of the sale of spring potatoes as also the Economic Association of the German Potato Starch Industry. On the 20th of June 1935, the agreements previously entered into with regard to the trade of potatoes were replaced by the new provisions regarding the place of payment, the term of delivery, the quality of the goods, the packing and the consignment. It is particularly interesting to note that according to the new regulations, it was forbidden to take potatoes of any kind, even foreign potatoes, on commission or to consign potatoes that had not been sold. Only table potatoes, spring potatoes intended for consumption, seed potatoes and potatoes intended for factories and the potatoes intended for stock breeding, were allowed to enter into trade. This was done with a view to prevent the glutting of the market with unclassed and unsold potatoes because that often

rendered sale difficult. From the 16th of May 1935 the prices were declared to be maximum producers' prices. Besides, restrictions on the cultivation of potatoes entailed difficulties regarding the proper use of land and the rotation of crop etc. And as the consumption of potato as human food does not greatly fluctuate, the measures adopted by the Government aimed particularly in encouraging the use of potato in the feeding of live stock and in the transformation of potato into alcohol, starch and flakes. The percentage of alcohol in the motor spirit was raised from 6 per cent to 10 per cent on the 1st of October 1932.

The system of loans on the pledge of potato starch was introduced in order to regulate the market supply. The loans were granted on the security of quantity in store. The Government relieved the potato market by the purchase of 130,000 tons of potato flakes. The use of potato starch was made compulsory and this also gave a great impetus to the sale of potato. Encouragement was also given to the making of potato ensilage and this increased the quantity of potatoes used in the feeding of live stock.

To standardize the potato products and improve their quality, commercial grades were introduced. This furnished a secured basis and helped a great deal in the disposal of the product and the securing of the suitable prices.

Bread Market

Bread market was also regulated by the new draft of the Law of Bread dated 3rd of May 1935. It contained detailed provisions regarding making and marking of bread and the fixing of prices. It was no longer permitted to make bread other than of the specified kind. These were, in addition to special varieties, bread made from crushed rye, rye bread, bread made from the mixture of rye flour and wheat flour and white bread. These regulations also contained provisions regarding the kinds of flour to be used in the making of these kinds of bread. The weights of the loaves which may be placed on sale had already been fixed in the Law of Bread, according to the more detailed provisions, weight of the loaf and kind of the loaf had to be indicated on the loaf itself. The selling prices had to be fixed by the associations for the sale of cereals and these prices could not be increased. These regulations for Bread Market also contained provisions regarding rebate which could be allowed on the sale of bread to the retailors and large scale consumers, hospitals etc. These provisions as also the new draft on the Law of Bread came into force on the 15th of June 1935.

Regulation of the sale of sugar

Nothing was done for this industry up to December 1928, but in March 1931 a legal maximum price for sugar was introduced by fixing the quotas for

sugar production and also the fixing of quotas for the growing of sugar beet which followed it. All the refineries were compelled to form themselves into an economic association of the German Sugar Industry. This Association assigned the duty of establishing equilibrium between the producer and the consumer of sugar. In order to end the disputes that generally arose between the grower of sugar beet and the refineries, the Corporation of agriculture was authorised by the order dated 18th of May 1934 to lay down in collaboration with the Economic Association of the German Sugar Industry, rules for the purpose of regulating the sale and the prices of sugar beet and also for the conclusion and execution of contracts for the supply of sugar beet as well as for arranging that the contracts already concluded for the year 1931 be adopted in accordance with these rules. District or Arbitration Court and the Arbitration Court for the Reich were set up to decide disputes arising between the grower of sugar beet and the refineries.

From the above description it is quite clear that in order to check the lowering down of prices of different articles and for the regulation of markets as regards quality, packing etc., it is essential that the concerns working in the country should be forced to join together. It should not be left to the sweet will of the factory owner to combine or not to combine, but they should be forced by the State to combine.

It was on this principle that the German Government acted.

According to German notion shop-keeping or factory working is a public function which means therefore that the State must have full control over it. That being so if at any time the good of the industry, or that of the producer or consumer so demands the factory owners must be forced to combine. Nobody can doubt that the combination of all the factories will go a great deal to bettering the position of the industry. India in that position will not only hold its own in the internal market but will be able to successfully export sugar at competitive prices in the foreign market. The resources of all the factories in this way will be poolled together for the national advantage. The cost of working of the different factories will at once go down and the efficiency of the working of the factory will correspondingly increase and a better price for the producer of sugar cane or a cheaper price for the consumer of the sugar will be possible. It is wrong to believe that only the introduction of certain rules for fixing the price of sugar cane will bring about the desired benefit to the grower or to the consumer. The fixing of price of sugar cane will always be dependent upon the price of sugar and as long as there is no regulated market for the sale of sugar there is no likelihood for the better price of cane.

Animal Husbandry

The above measures which encouraged the farmer to grow more grain proved very injurious to the animal husbandry, inasmuch as, most of the suitable lands were used for production of grain thus leaving very unsuitable area for fodder crop. The result was that fodder became very expensive. Necessity of concentrates became high and it was found to be necessary to take certain steps so that this important branch of agriculture may not suffer. The first effective protection for the animal husbandry was marked by the reorganization of the 13th December 1933 of the importation of butter. The annual imports of butter into Germany was allotted up to a quota of 55,000 tons on which a uniform customs duty of 75 Rms per quintal was levied. The total quantity was distributed amongst the exporting countries in proportion to the share of each of them for the butter supply of Germany during the year 1929 to 1931. The different countries were only allowed to import to Germany in each month a tenth part of their annual quotas while the parts of the quotas that they had not utilized in the different months should be imported in the following months up to the end of the quarter. Over and above the quota, Poland was granted by Germany an annual quota of 1,500 tons on which a customs duty of 100 Rms per quintal was levied. But in spite of these restrictions

animal husbandry found itself in a difficult situation, inasmuch as the price of dairy products did not improve as the dairymen were made to compete with im- ported oils and fats brought from foreign countries and turned into margarine.

During this period, the technical methods of margarine manufacture improved to such an extent that the prices of margarine could be reduced by 5 Rms per kilogram. The trouble was further increased by the increased manufacture of margarine in Germany from about 250,000 tons in 1930 to more than 500,000 tons in 1931. The raw material of German origin used in the manufacture of margarine was reduced to 2 to 3 per cent. All these things forced the Government to take further step to protect the animal husbandry and consequently an order to regulate the manufacture of fats was passed on the 23rd of December 1932. By this order every margarine factory situated in the German Customs Territory was forced to employ a certain specified quantity of butter, suet, lard and other products produced in the territory. This order also authorised that the Government could prescribe that a corresponding quantity shall also be incorporated in imported margarine. The Government could also issue regulations on the extent of the industrial manufacture of margarine, of artificial alimentary oils, vegetable fats, and solidified fish oil. This order further authorised

the Government to fix the proportion in which the oil mills situated in the German Territory customs could be obliged to use home produced oil seeds.

Yet another order was passed on the 23rd of March 1933. By this order the monopoly was established in the Reich for all raw materials for the manufacture of margarine, for margarine itself, for artificial alimentary fats and oils, intended for direct consumption. The use of suet in the manufacture of soap, candles was also regulated. The manufacture of margarine cheese was forbidden and oil fruits, oil seeds and oil cakes were brought under the Maize Monopoly.

In order to safeguard the interest of the poor, margarine, artificial alimentary fat, alimentary oil, vegetable fats and solidified fish oil were subjected to a consumption tax, the proceeds of which were used in the first place to reduce price of fats in favour of the poor.

Compare this with the inaction of the British Government which has ruined the dairy market of the country and profess that they do not want to take any step in the matter as by doing that food articles will become dearer to the poor man !

The Reich Office for oil and fats was established by the order dated 23rd March 1933. This order gave the sole right to the Reich Office to market fats and

oils at prices fixed by Reich Minister for Food Supply and Agriculture. The manufacture of margarine was allowed to 60 per cent of its former volume by the order dated 23rd of March 1933. The consumption tax was fixed at 0.50 Rms per kilogram of margarine or artificial alimentary fat with effect from the 1st of May 1932 though an admixture of butter in margarine has not yet been introduced.

By another order dated the 13th of April 1933, was introduced the compulsory marking of margarine. It was intended by this to limit the use of margarine and artificial alimentary oils specially in cases in which, without imposing any considerable additional expense on the consumption, they could be replaced by home-produced fats. The rule was accordingly made which laid down that in hotels, inns and restaurants of all kinds, a notice must be posted up to show whether the cooking was done with margarine, with artificial alimentary fats, with solidified alimentary oi s, with vegetable fats or with solidified fish oil. The same rule applied to all vendors of confectionary and to all vendors of other comestibles made with the said oils and fats. Besides, the order also laid down that on the containers and packages in which margarine and other alimentary fats were offered for sale, the nature of the oil and fats used must be indicated in percentage in legible writing in reasonable and conspicuous

place. To establish a compensation in the tax imposed on margarine and artificial alimentary fats, the customs duties on margarine and margarine cheese were raised from 30 to 75 Rms per quintal and the customs duty on artificial alimentary fats was raised from 12.50 to 75 per quintal. From the 15th of February 1933 the customs duty on lard was raised to 50 Rms and from 16th of May 1935 to 75 Rms per quintal. More drastic measures would have been adopted if Germany would have been a vegeterian country like India.

The Regulation for the market for milk and dairy products

The organization of the milk market was enacted on the basis of paragraph 38 of the Law of the 31st of July 1930 as amended by the Law of the 20th of July 1933. The amended paragraph stated that enterprizes for milk production, for transformation and for handling of milk as also for the milk trade will be compelled to unite with a view to ensuring a scale of milk prices corresponding to the interests of producer and consumer alike.

Up to the end of 1933 the milk producers, dairies and the milk trade were grouped in the Dairy Federation in the 15 regions into which the Reich was divided for this purpose according to economic and antural conditions. The work of these organizations

consisted of regulating the supplies, prices, and price-margin in the intermediary trade on the fresh milk market and in connection with the transformation of milk. The Dairy Federation obtained the necessary fund for making an equitable adjustment of prices between the various groups of producers, by imposing a levy on the fresh milk producers.

Regulation of the dairy industry was undertaken at the same time as that of the market for fats. By the order of the Minister of the Reich for Food Supply and Agriculture, dated 27th March 1934, the organization of the Dairy Industry with the Central Dairy Association of Germany at its head was transformed to an independent administration.

Regulation dated 21st December 1933 provided the following regulations for the trade in milk products :—

Any one desiring to place on the open market within the customs barriers either national or foreign dairy products, must first offer them for purchase to the Reich office for Oils and Fats. The office is not obliged to accept the surplus and the Minister of the Reich for Food Supply and Agriculture could establish maximum quantities up to which the office could accept dairy products. The compensation tax levied from February 1934 on all butter imported from abroad was at first 52 Rms, but since March 1934 it rose to 82 Rms per quintal.

For regulating the trade in milk products it was very necessary that the number of varieties be limited as much as possible, so that the control over them could be easily made. It was also necessary to prescribe certain regulations for the importation of foreign products into Germany with a view to easily control their quality and quantity. Consequently a decree was passed on the 20th of February 1934 for the establishment of uniform kinds of butter and cheese. According to this decree butter bearing the mark of its quality and its place of origin alone could be placed on the market. This decree further provided the minimum requirements for each quality and the principles for judging these qualities. Foreign butter could only be placed on the market if it clearly indicated by its mark, the place of its origin, and if possible also the class or designation as adopted for national butter. The regulation also prescribed the methods of packing and the inscription bearing on butter packages and containers.

Similarly the Cheese Decree was also passed on the same date as the Milk Decree with a view to regulate the production, the marking and the packing of cheese. In open shops, on barrows or on the market the degree of fat content of all cheese which has been cut for the purpose of retail sales must be visibly marked by labels or by discs affixed to the cheeses. The variety of cheese and its degree of fat content had

also to be marked on the menuse of restaurants etc. This marking and declaration of the admixture of fat in cheese was also made essential in the case of newspaper advertisements, written offers and catalogues etc This decree also prescribed weights for blocks and wrappings of processed cheese in order to give the purchaser an idea and guarantee as to the quantity he was buying.

The marketing of preserved milk, cream and casein was governed by regulations made by the decree of the 6th of March 1934. The main provisions of this decree referred to sizes and making of packages. At the time of passing of this decree there were packages in the market of 30 different sizes ; these were reduced only to 5. Over 800 stamps were being used on these packages ; these stamps were cancelled and only 12 factory stamps and one common stamp of German Condensed Milk Factories could be used.

Credits

In accordance with the order of the 17th of November 1931 and of the regulations for carrying it out dated 5th of December 1931, every farmer residing in the territory to which the Assistance for Eastern Germany applies and who may find himself unable to meet his engagements without endangering the next crop, can apply for the opening of what are known as "Guaranteed Proceedings". Similer application can also be made by the creditor having

a justified interest in seeing that the working of a farm indebted to him be duly continued. A similar application and to the same effect can also be made by the tenant. Such applications when made, have to be considered in the public interest and were liable to be refused if the desired end can not be attained or if the public interest does not justify interference with the rights of the creditors. The rule prescribes that when the guaranteed proceedings have been opened, a trustee must be nominated, who as long as proceedings last, must supervise the farm in the manner laid down by the order. After the Guaranteed Proceedings started, levying distress for debts and declaration of bankruptcy stopped. If the occupier of the farm neglected to fulfil the duties of a good farmer, distress could be levied. During the course of the proceedings a plan for removing the indebtedness has to be drawn aiming at first to arrive at a voluntary agreement between the occupier of the farm and his creditor. If this were not possible, a method of dealing with the debt has to be fixed up by a competent authority. An endeavour has to be made to relieve the pressure of the indebtedness by partial postponement of the payment. But even if this were not possible, the arrears of interest can be remitted and the rate of interest reduced. If even this method failed in placing the farm on a sound footing, the capital debts can be reduced so far as

may be absolutely necessary. In the case of sale by auction following on bankruptcy the capital sum owed would be entirely lost. If the plan for removing the indebtedness contemplated the decrease of the capital by more than half or the lowering of the rate of interest to less than 4½ per cent, the consent of the creditor is required. In diminishing the debt it has to be ascertained as to what extent the debtors would be able to take conditional liability for the sums remitted. The reorganization of the financing of the help given to Eastern Germany was carried out by the order of the President of the Reich dated 6th of February 1932. Under the provision of this order and of the regulations relating to the execution dated 12th of July 1932 the creditor was obliged to accept the special bonds issued for assistance to Eastern Germany to the extent to which the plan for removing indebtedness provides for an indemnity paid otherwise than in cash. These special bonds were issued by the Deutsche Rentenbank up to 500 millions of Reichsmarks at 4½ per cent interest. They were to be redeemed to the extent of nearly 300 millions in 1935 and the remainder in 1938. The interest is paid out of the interest and amortisation of the mortgages specially placed up to an amount equal to that of the bonds issued on the properties to be relieved of indebtedness; the sums necessary to pay the interest on the bonds were also derived from the net available profits realized by the Rentenbank.

The Emergency Decree of 8th of December 1931, which contained provisions relating to the lowering of prices and interest and concering the levying of distress has a special importance for agriculture. The measures for lowering prices did not affect agricultural products on account of the low level of their prices, but they had an effect on the prices of agricultural requisites, such as coal and potash, and on the transport charges of the State railways. Under the provisions relating to the lowering of interest, the rate of interest on all long term debts could be reduced by nearly 1/4th, but not below 6 per cent. For rates of interest exceeding 12 per cent a still larger reduction was contemplated. The interest on revalued debts had been lowered by 1 per cent when it did not exceed 5 per cent. In order that the reduction may remain effective also for the future, debts on which the rate of interest had been lowered, could not be called in before 31st of December 1933. Other measures contained in the Emergency Decree contemplated the suspension or postponement of the distraint of properties if the offer did not exceed the first seven tenths of the value of the property. The object of this measure was to ensure the continuance of the farming of the property in the interest of national food supply

Italy

Italy is a very small country, but the people of this country possess a wonderful capacity of organization and a wonderful keenness in achieving their ideals. The team work in every walk of life is a watchword of their success. We had the good fortune of seeing this country in 1934 and through the good office of Mr. A. Brizi, Secretary General of the International Institute of Agriculture we have been able to see things in detail and we were also provided every sort of facility in studying things first hand for which we are very grateful to Mr. A. Brizi. And had it not been with his help, we are afraid, we would have not been able to know and learn anything. Our handicap was of not knowing the Italian language, but Mr. Walsh came to our rescue and he translated everything into English. Mr. Walsh accompanied us throughout our tour in the country and we are deeply indebted to him.

Italy, as we have said, is a very industrious and pains-taking country and has taken long strides in all directions of social and economic life of the country and we propose in this article to deal with some instances of importance with a view to show the manner and method employed by the Italians towards

the advancement of agriculture and agricultural industries.

Utilization of agricultural produce

Italy used to export its hemp to other countries just as India exports jute. After the War, hemp export had to be restricted on account of the tariff walls being raised by different countries against its import. Farmers producing hemp. thus felt a great difficulty in disposing off their crop and the prices went very low. The people of Italy could not afford to see the plight of the farmers and they tried to find out some other use for hemp. After a concerted action hemp was turned into a new fibre which has a better luster than cotton. and could well be mixed with cotton in spinning thus giving a better gloss to the cloth made with the new mixture. This resulted in the reduction of cotton imports in Italy and this new fibre could be exported to foreign countries with advantage. In Bengal the Government experts sat with folded hands and are still watching the ruin of the Bengal farmer though during the last few years the development of new fibres with better gloss and cheap cost of production has made wonderful strides. Though other countries, not producing Jute, have been able to turn Jute into artificial wool yet the Government experts are sitting idle and the Government of India seems to be car ng more for the Jute manufacturers of Dundee. One looks in vain upon the guardian of the people for a help of this nature !

The above discovery effected India in two ways firstly the cotton export to Italy from India was effected and secondly this new fibre began to be imported in India.

In order to further increase the consumption of Italian hemp a Royal Decree-Law of 11th April 1935, No. 726, was issued, prohibiting the manufacture and sale of string or rope made of jute, or any other fibre of foreign origin which competed with hemp in its use.

Rice

Italy was producing more rice than it could consume and the surplus was exported. During the period under discussion the export of rice on the prices offered became very difficult. In some countries the import duties were raised and Italian rice could not, therefore, be exported. Cheap rice from other countries threatened the internal market.

The Government came forward with the Decree-Law of the 4th of October 1931. By this Law the import duty on paddy was raised to 41 Liras per quintal while the duty on partially cleaned rice was raised to 50 Liras and on uncleaned rice to 60 Liras per quintal. The National Rice Institute was formed by the Decree-Law of the 2nd of October 1931 for the purpose of "providing for the protection of the interest of the national rice production by encouraging the rice production and consumption of the product

and promoting any initiative calculated to improve the production".

This Institute had no industrial or commercial function of its own, but aimed at regulating the rice industry and the rice trade in the interest of national production. All producers were compelled to declare to the Institute before the 15th of August in each year the area under rice and the probable production and to declare before the 10th of November the actual quantity harvested. All producers, purchasers and intermediaries were further obliged to declare within three days of the transactions, all agreements for the sale ef paddy stating purchaser, the quantity, the quality, the prices, and the date of delivery.

On every agreement for the purchase and sale of rice, the Institute levied a fee which provided the Government its working expenses and a "repayment quota". This quota, levied on all home-grown rice marketed in the country, served to repay to the exporter the difference between the prices which he must accept in order to meet the competition in foreign markets of rice of other origin. As a result of the labour of this Institute, nearly half the production of 1931 could be sold before the 1st of February 1932—three million quintals out of 6,300,000 quintals harvested. It was made possible to obtain price for the home-grown rice about 20 Liras per quintal higher than the prices which would

have been obtained if the world market had to be followed.

The first year's working of the Institute resulted in increasing the returns of Italian agriculture by more than 50 million Liras in comparison with the previous year. Due to the excessive propaganda carried on, the home-grown consumption of rice increased from 3,387,000 quintals in the year 1929-30 to 4,106,000 quintals in 1930-31.

By the Decree dated 11th of August 1933 a levy of 14 Liras on every quintal of rice sold on the home market was prescribed with a view to form a fund for compensating the exporter for the difference between the prices of home-grown rice and the prices of foreign rice. The National Institute, on the Board of Management of which all the classes interested in rice production, rice industry and rice trade are represented has achieved satisfactory results. From the very low figures of 48 Liras the quintal in December 1930 and of 45 to 47 Liras in August 1931, the prices paid rose to quotation of 55 to 58 Liras.

The greatest activity was directed towards assuring, in the best possible condition, the export of the excess over the domestic need which in 1932-33 amounted to 2,585,000 quintals.

It was further provided in order to help the distressed rice growers that they could obtain advance of 50 Liras the quintal of sound pure paddy of

merchantable quality yielding 65 per cent on the security of the paddy itself. It may be left on the farm at the interest fixed at a rate not higher than 4½ per cent, half of which was payable by the rice grower and half by the National Institute. The Institute was, in addition, authorised to acquire directly from the producer beginning on the 30th of June 1934, at the prices of 60 Liras the quintal for rice yielding 65 per cent and at the proportionate prices for rice of lower yield, the whole of the quantity of the crop regularly declared and on that date remaining unsold. And since, as regards the consumer, the increase in the prices gave rise to fears that there may be a corresponding decrease in the demand of the home market. This possibility was combated by a vast compaign of propaganda for the increase of consumption of rice. A table was compiled of typical Italian varieties of rice, of which names and characteristics of each was precisely fixed so as to offer to the consumer an absolute guarantee of genuineness and purity. Consequently the domestic consumption increased.

In 1934 as in previous year the rice market was carefully controlled by a specially formed National Rice Institute.

An advance of 50 Liras was again made to the grower in 1934 on each quintal of paddy at 4 per cent interest, half of the interest being payable by the

Rice Institute which bound itself to purchase all quantities of paddy of fine type and of the ordinary type which remained unsold on 30th of June 1935 at the price of 75 Liras and 60 Liras per quintal respectively.

On account of the difficulties of export, the Institute intensified its propaganda in view of the domestic consumption of rice and as a result of this the consumption did in fact increase. It is calculated that the annual per capita consumption rose from 5·250 kilograms in 1929-30 to 6 kilograms in 1930-31 to 6·400 kilograms in 1931-32, to 6,500 kilograms in 1932-33 and to 6·700 kilograms in 1933-34 the increase of 1·450 kilograms per capita in five years. It is an instance which belies the well known principle of economics which says that the consumption of agricultural commodities do not considerably increase. Will the so-called economists, in India, revise their convictions ?

The Rice Institute continued its effort to find outlet for rice in foreign countries and to enter into commercial agreements with groups of foreign importers. Regulation of the export of Italian rice was completed by special measures in order to assure that rice intended possessed the requisite quality. A control of rice export was set up by the Royal Decree of 27th of July 1934, No. 1, 451. It was exercised by the

Fascist National Institute for foreign trade. Every year, on the basis of the quality of the crop, the characteristics of the official types of home-grown cleaned rice intended for export, have to be determined, account being taken of the varieties, the degree of manipulation and the percentage allowance of defective and broken grains. The firm which intend to export rice of the official types in their respective denomination have to make a declaration to the Institute which after ascertaining that everything was in order gave the authorization to use the official denomination and the national export mark. All the official types are formed of sound and unadulterated and merchantable rice of good average quality in the year.

This is how a self-governed country manages and controls its production and protects its industry. There is no market for Indian merchandise as there is no guarantee either in the genuineness of the article or in the quality or variety of the same. The seed breeders in India are wasting their time and public money when the Government is wholly neglecting the organization of export trade. There is no check upon adulteration and there is no guarantee for the genuineness of a variety with the result that India has lost its place altogether in the foreign market. The Provincial Governments can easily advance money on the security of the coming crop

and thus can avoide the throwing of it on the market all at once. But the so-called guardians of the farmer are sitting with folded hands and marking the time in the hope that some mysterious help will come to help the poor.

Olive

Olive growing and the extraction of oil from oil fruits is a very important industry in Italy. Olive trees will grow almost anywhere in Italy. Even in the most stoney soil olive tree prospers and gives a good yield. We had the good fortune of seeing one of the institutions, where special research is being made to devise the best method of extracting oil and also the best method for the utilization of its bye-products. The tree takes 50 years to come to its full growth, yet this plant has attracted the scientists who are devoting themselves on a systematic study of it in all its industrial aspects. It was in 1927 that the Government decided to investigate the possibilities of this important tree. Consortia were established by the Decree Law of the 12th of August 1927 with the object of providing for the reconstitution of old or deteriorated olive groves, for the formation of nurseries on scientific lines etc. Besides, by the Decree of the Minister of Agriculture and Forest dated 22nd of February 1932, a National Competition was opened for the improvement of olive-growing, with money prizes to

the value of million Liras, olive plants for gratuitous distribution, medals and diplomas.

Numerous steps were taken in 1934 in favour of olive-growing which were carried out on about 2,078,103 hectaras, including specialised olive groves and in which other crops were grown. Of these numerous steps we may mention the Law of the 18th of January 1934, No. 254 containing modifications to the customs regime of oil seeds; the Law of 18th January 1934, No. 260, regarding the abolition of the temporary importation of oil seeds; the Decree Law of 14th April 1934, No. 564; which subjects the importation of oil seeds into the Kingdom to the regime of permits; the Decree Law of 16th April 1934 No. 620, which increased the customs duty on olive oil from 176.16 per quintal to 209.70.liras, in addition to the 15 per cent *ad valorem* customs duty. The Decree of the Head of the Government of 29th May 1934, by which the Oil Corporation was formed ; the Decree of the Minister of Agriculture and Forest dated 30th June 1934 which contained rules laid down for the olive-growing consortia for the establishment of depots for the collection, manipulation and sale of table olives; the Law of 18th June 1934, No. 1,091, containing provisions for the reduction of land tax for the replacement of olive-trees; which raises from 65 liras to 120 liras per quintal as also the corresponding super-tax at the

frontier ; the Decrees of the Minister of Finance of 20th October and 10th November 1934 by which the importation of ground nut, colza, rape, cotton seed, sesamum and soybeans were prohibited. Besides, it was laid down by the Laws of 16th March 1931 that the genuineness of the olive husk oil intended for human consumption should be defended and it must be placed on sale under the name of "edible husk oil".

These measures, in addition to and supplementing those previously taken, have improved the state of the olive-oil which has become steady at an equitable level. But the measure which has most of all contributed to the defence of olive oil production is that whereby the production of comestible seed-oils has been subjected to a system of quotas. This measure yielded noteworthy results in regard to the valorisation of the bye-products of oil-making, particularly of olive kernel oil.

Fruits and Vegetables

The general depression was likely to affect the fruit and vegetable growers, but the National Institute of Export came to the aid of the growers and exporters. The Institute set at work laboriously and incessantly with the result that the export of fresh vegetable increased from 1st January to 30th November 1931 by more than 80 per cent in comparison with the corresponding period of 1930 reaching the total volume of 16,59,732 quintals. This Institute

worked in agreement with the National Fascist Confederation of Farmers to gradually introduce the compulsory control of products intended for export and at the same time encouraging their improvement, the technical rules were introduced which were compulsory to be observed in exporting of citrus fruits of potatoes, of cauli-flowers and of tomatoes. Besides, rules were issued in respect of the exportation, of prunes, peaches and table grapes. The rules were not compulsory but the aim was to organize the selection, conservation and packing of the products by the construction of stores on modern equipment.

Every Provincial Economic Council was required to establish a "register for exporters of fruit, vegetables, essences extracted from citrus fruits, and flowers". This was done with a view to ensure a rigorous supervision over export and for that end worthy and capable persons were put in charge.

By a Ministerial Decree of 25th March 1932 a committee of experts was nominated to study the problem of equipping the country with cold storage for the conservation and transport of fruit and vegetable.

The National Institute for Exportation and Syndical Organization of Agriculture and Commerce based their activities on the following principles :—

Strict control of production intended for export ;

Direction of production and packing towards standardized and highly appreciated types;

Rapid transport ;

Railway facilities ;

Use of pre-cooling ;

Refrigeration, and

Storage.

This indicates the necessary lines upon which a country should organize their export in fruits and vegetable. It is high time now for our agricultural experts to learn their lesson and not to be content with drawing fat salaries and abusing the circumstances and the people.

As a result of these measures and others, the export of Italian fruits (citrus and others) and vegeables rose from 7,820,601 quintals in the five-year period 1909-1913 to 9,438,492 quintals in 1927-31. There being an increase of about 20 per cent for fresh fruit, 8 per cent for dried fruit and 70 per cent for potatoes. There was a decrease of about 6 per cent in case of citrus. Home consumption of fruits and vegetables was also increased by the efforts of a special Propaganda Committee which was established at the Ministry of Agriculture and Forests. To intensify the home consumption of fresh grapes, the National Grape Festival was organized.

A two-fold action was taken by the Government in regard to this branch of the National Agricultural Economy. A strict control was organized over production and trade to give the greatest possible impetus for home consumption. The task of technically perfecting and developing export was entrusted to the National Institute for Export which carried out this business by :—

(*a*) the rationalization of the methods of gathering, selection, grading, packing, and consignment of the products, for the purpose of assuring their conservation and their presentation in the manner suitable for the requirements of the consumption markets ;

(*b*) a more regular and more remunerative distribution of products on the market ;

(*c*) the increase in the application of cold for the conservation and transport of the more perishable products ;

(*d*) the organization of information, services, to enable persons interested, to know daily or periodically the situation of the market providing outlets for the products ;

(*e*) arrangements made for the daily export of vegetable through the 'Food Stuffs' Train' provided for the transportation by the administration of the State railways. These

trains start daily from the centres of production and their arrival at the frontier coincides with that of the corresponding foreign trains. The net work of centres for reconsignment, set up to facilitate the timely distribution of the products to the markets, includes, besides all the Alpine frontier stations, the cold storage centres of Verona, Bologna, Milan and Padua which offer great possibilities of storage and conservation. Regulation of this kind was rendered necessary by the fact that the possibilities of sale had become more and more restricted for products, having defined requisites of quality and of conservation.

National Mark

The "National Export Mark" for Agricultural products consigned to foreign countries, set up by the Law of 23rd of June 1927 No. 1272 served precisely to assure in the products at the moment of consignment abroad, the presence of the requisites of selection, of classification and of packing laid down by special Registration Rules. The control was already applied to citrus fruits, to peaches, to potatoes, to cauliflowers, to tomatoes and any other branches of agricultural production, to rice and to wine. And another Decree Law No. 455 was passed on the 15th February 1934. Under terms of this Decree Law the

application of the National Mark could be extended to any agricultural and industrial product intended for export. But the authority to use national mark was granted only to those firms which possessed requisites of honesty, commercial capacity and financial stability. All exporters of fruit and vegetable were bound to be inscribed in the register of exporters of citrus and other fruits and vegetable, established by the Law of 31st December 1931. Their registration was liable to be suspended or cancelled if in any way they brought discredit or caused any injury to the Italian export trade.

To promote the general improvement of fruit growing, the National Fruit Growing Competition endowed with prizes to the value of 1,000,000 Liras was opened on the 20th July 1934 amongst operators of holdings who prior to the spring of 1935 have planted new industrial orchards. The competition was to last for four years and comprised the following fruits ; pear, apple, peach, apricot, plum and cherry.

Wheat campaign

During the period of the Great War every country was convinced that the future safety depended upon the self-sufficiency of food stuffs produced within the country. Countries which have no colonies realized the seriousness of the situation more clearly and eventually tried to produce more food stuff than they were producing in previous year. Italy depended for

its food supplies on other countries and the Fascist Government clearly realized the significance and seriousness of this handicap. The Government, therefore, decided to be self-sufficient in wheat and consequently husbanded all their resources in order to achieve this end. There were only two methods possible to secure the necessary yield. Firstly to have more acreage in wheat and secondly to get more outturn per acre. The first method could be resorted to by either displacing other crops by wheat or by bringing unculturable area under wheat cultivation. No area growing crop other than wheat could be replaced by wheat unless the latter crop was made more profitable and even then it could be only possible at the expense of other crops growing in that area. Besides there were other difficulties to be met with. Firstly the method of displacing crops with wheat crop could not be carried to such an extent as to produce an appreciable difference in the total of the crop available. Secondly it could not be resorted to unless it was found to be absolutely necessary in the national interest to do so.

Bringing new area under cultivation was the most important one. We shall deal with it elsewhere and show how this wonderful method was worked up and how vast areas producing nothing and areas which were always sources of continuous trouble and ill health, were brought under the plough.

The Government were not satisfied by merely resorting to extensive cultivation. They resorted to every suitable methods for the increase of the production of wheat per acre such as proper selection of varieties suited to different parts of the country, proper treatment and cultivation, preventive measures against insects and pests. These efforts proved successful and then having provided all measures and having taken all steps for increase in the output, the Government also devised means for the stabilisation of prices by guaranteeing a proper price of the wheat to the farmer. Naturally this encouraged the farmer to cooperate with the Government in producing more wheat per acre. Number of varieties of improved seeds of wheat were selected and multiplied. Areas which were not suitable for wheat cultivation and were lying waste were made use of by mechanical cultivation. During this campaign the number of tractors used in Italy increased to 30,000. Numerous experiments were made to determine regions in which the improved varieties of wheat were best adapted. The problem of the working of the land was closely studied specially in hot and dry region of Italy. Prizes amounting to 2,000,000 Liras were announced for national competition in 1932.

Account was also taken of the methods employed by the competitors in overcoming other problems for instances, the cost of production in relation to local

conditions. Only those competitors could take part in the national competition who had won the first prize in the respective class in the provincial competition.

Steps were also taken to cheapen the prices of fertilizers with a view to make their use possible.

A permanent wheat committee was appointed which arranged to hold the Second National Wheat Show in Rome in October 1932.

Wheat Pools

The formation and working of wheat pools arose spontaneously as early as 1931. This was subsequently regulated by the Royal Decree Law of 24th June 1935 No. 1049. It being recognized that it was necessary to pursue the policy in regard to the prices of wheat, whereby the market could be so regulated as to withdraw from it the hazzard of the fluctuation of quotations and the farmer could be assured of an equitable remuneration for his product. The organization formed to carry out the policy was placed in direct dependence on the State. The handling of the wheat consigned to the pools for collective sales was subjected to the supervision of the Ministry of Agriculture and Forest on which also depended the local organizations set over the pools themselves. The Ministry of Agriculture acted in the provinces through the Provincial pool centres each of which was comprised of two representatives of the Fascist Provincial

Union of Farmers. One of these was chosen from amongst the direct cultivators and the other was representative of the Financing Institute. The latter acted as chairman of the Provincial Pool Centre and was nominated by the Ministry of Agriculture.

To maintain the prices of wheat it was made compulsory by the Decree-Law dated 10th June 1931 to employ home-grown wheat in grinding, in proportion of 95 per cent of the total quantity of wheat milled after that date. From the first of November 1931 it was made possible gradually to reduce the compulsory percentage by fixing different percentages for different provinces. To make this effective the Government raised the import duty on wheat flour from 87 to 92·90 Liras per quintal and on wheat from 61 to 75 Liras per quintal.

For the purpose of preventing excessive quantity of wheat being thrown on the market immediately after the harvest, crop institutions were requisited to grant loans to grain growers by a rapid and simple procedure. In 1931 such loans amounted to more than 200 million Liras.

Later on by Decree-Law dated 28th June 1933 it was laid down that from the 17th July 1933 compulsory percentage of home grown wheat, hard as well as soft, to be used in milling should be 99 per cent throughout the whole kingdom.

Subsidies were granted under the Law of 30th May 1932. The object of these subsidies was to aid the construction and equipment of elevators and grain-ware houses. This Law authorised the Minister of Agriculture to grant to the interested parties contributions amounting to 25 per cent of the estimated cost and in case when it was necessary to have recourse to credit, the Minister of Agriculture was authorised to make further contribution towards the payment of interest amounting to 2½ per cent per annum during the period not exceeding 25 years on loans by which 50 per cent of the estimated expenses were provided. Compare with this the elevator scheme of Lyalpur which remains a loss to tax-payer.

The wheat campaign initiated in 1925 was concluded in 1933 with the Wheat Victory. It was a wheat victory because the crop of 81,003,200 quintals had been obtained and this was sufficient to assure the national food supply for the whole commercial season of 1933-34. The area sown to wheat was 5,085,934 pectors and the average yield per hectare was 15.9 quintals. This was the highest yield attained so far.

The National wheat Competition was to be continued in 1934-35, 1935-36, 1936-37 and 1937-38. The underlying principle of this competition was the necessity of obtaining even greater equilbrium between the two fundamental branches of Italian agriculture *i. e.*, wheat and live stock.

The National Competition was endowed with the prizes of the total value of 3,200,000 Liras.

The Agricultural Credit Institutions were granted loans and pooled wheat for the sum which amounted up to the end of 1933 to about 500,000,000 Liras.

By the first Royal Decree-Law of the 7th November 1933 provision was made for raising the customs duty on wheat flour to 115 Liras per quintal. And by the second Royal Decree-Law of 30th November 1933 it was provided that wheat flour and samolina which were imported from abroad must be mixed respectively with flour and samolina made from home-grown wheat. It was further provided that the mixture must not contain foreign flour and samolina in a proportion higher than the percentage of foreign wheat allowed in milling. Again by the 3rd measure *i. e.*; Royal Decree-Law of the 21st May 1934 it was made compulsory for mills to employ in mill for the production of flour and samolina for use as food, specified percentages of home-grown wheat drawn from the pools.

To appreciate the importance of the wheat campaign in a country it must be borne in mind that the net imports of wheat, which in the five years before the war oscilated round 13 millions quintals rose to 26 millions in the financial year 1921-22 and to 31 millions in the following year. In 1933-34 it was only 113,480 quintals to the marked advantage of the

balance of trade. This means that if the imports of wheat in the five years 1909-13 be taken as equal to hundred, the imports rose to 238·1 in 1922-23 and then fell to 0·9 in 1933-34.

The following table clearly gives the idea of the result of wheat campaign.

Average production and yield of wheat in Italy,

	1911 to 1920	1921 to '25	1926 to '30	1931 to '34
Production (quintals ..	49694600	53973950	60745460	71579400
Yield (quintals per hectare)	10·3	11·5	12·4	14·5

In the last four years wheat growing had taken the course indicated by the following figures :—

	1931	1932	1983	1934
Area under wheat (Hectares)	4809100	4931100	5093800	4962200
Production (Quintals) ..	66520000	75367000	81252000	63423000
Yield (Quintals per hec.) ..	13·8	15·3	16·0	12·8

Maize

To maintain the price of maize the import duty was raised by the Decree-Law of 21st August 1934 from 4·20 Liras to 20 Liras per quintal.

Land Improvement

Extensive areas have been reclaimed in Italy and this work of reclamation is considered to be a special and most creditable feature of the Fascist Government. Previous to this reclamation of land there used to be a huge area of marshy land, the climate of

which was greatly malarious, so much so that even Rome, the capital of Italy, was not free from the raid of malarial parasites. Several attempts were made from time to time to reclaim this area not so much with the idea of utility but more with the idea of improving health conditions. But every effort had failed in spite of the fact that very large amounts of money were sunk in the enterprise. The present reclamation scheme and its success is due to the thoughtful and critical study and investigations of the entire area before the work was started. The Italian engineers designed a canal system to drain off the water into sea and when the water was so drained out and the land became dry it was laid down into suitable holdings. Metalled roads were constructed, trees were planted on the sides of the roads, sites were fixed for villages and cities, houses were built and when everything was completed, the area was formally opened and was handed over to the people who are now growing many useful crops in this area and passing their days merrily.

The plan for comprehensive land improvement was approved by the Law of 24th December 1928, No. 3134, and amended by subsequent measures, comprises a series of works intended to promote, in large districts of the country a "new agricultural economy, with a higher gross production per unit of area, capable of giving work and furnishing a liveli-

hood to a denser rural population". The works include draining marshy lands and rendering them healthy, forming new centres of population, erecting rural buildings, conservation and utilization of water, reafforestation, systematising and reorganising holdings, etc. Such works are partly carried out by the State (Public Works) by means of its technical staffs, or indirectly, through persons to whom concesssions are granted, these being usually consortia of landowners; partly by the landlowners themselves (private works) with the aid of subsidies from the State. The State contributes to the cost of private works with subsidies which vary from a fifth to nearly a half of the cost. The public works were carried out by the State at its own cost, either entirely (systematisation of mountain lands) or to the extent of four-fifths or even more.

On 30th June 1931 the improvement districts undergoing 'land transformation of public interest" numbered 36 and covered a total area of 3,830,400 hactres. During the twelve months from 1st July 1930 to 30th June 1931 the works of comprehensive land improvement authorised and started amounted to a total of 912 million Liras, including 676·6 millions for State Works and 235·4 millions for private works, subsidized by the State.

In regard to comprehensive land improvement the most notable fact, as far as the policy of the Government was concerned, was the issue of new

rules, which were contained in the Royal Decree of 13th February 1933, No. 215. This consolidated and coordinated all the measures previously taken, and indicated precisely what was included in the term bonifica integrale, which is carried out, for objects of public interests, by means of works of various kinds. These works were classified into two large groups of comprehensive land improvements consisting of a complex series of works to be carried out in co-ordination in accordance with a general plan, in districts classified and delimited by the State, for important hygienic, demographic, economic and social purposes. These implied a radical transformation of the organization of agricultural production either in order to replace extensive methods of cultivating the soil by intensive cultivation or to prevent more or less intensive methods of cultivation from degenerating into backward conditions.

The State bore the entire cost of systematization of mountain land in all cases and of the regulation of water courses in the plains when it was to be carried out in certain defined regions where it presented greater difficulties.

All the other supplementary works of improvement and systematization deemed necessary for the purpose of comprehensive land improvement within the competence of the land-owners. The land owners were asked to make certain improvements on their

states and if they did not do so the land was confiscated, government made the improvements and sold away these improved lands to the cultivators. The State granted, for the carrying out of these works by private individunals, a subsidy which was normally equal to a third of the cost, but could amount to as much as 38 per cent. in the case of improvements to mountain pastures and of works carried out in certain defined districts ; to 45 per cent in case of installation for the distribution of electricity and to 75 per cent for the construction of rural acqueducts.

The policy of the Government is that land is the property of the nation and no individual, though he may be the owner of the land, has any right to deprive the nation from the full utilization of that land. It is 'the soundest principle and we wish it would have been allowed to operate in the country so that the land would have been made more useful and productive in India.

The State works carried out and completed in the same year involved in the aggregate 591,176,657 Liras, including 435,699,144 Liras for land improvement, 47,746,061 Liras for mountain systematizations and 4,731,452 Liras for roads built for purposes of land transformation. In addition, the following private works were subsidized by the State to the extent indicated in each case.

Class of works.	Liras.
Irrigation and search for water ..	69,530,507
Villages and rural buildings ...	61,560,088
Rural acqueducts	27,317,764
Farm to farm roads	14,703,364
Mountain pastures	18,075,697
Small agricultural systematizations	11,560,766
Applications of electricity to agriculture	5,218,759
Plantations and miscellaneous improvements	2,519,531
Mechanical breaking up of land ..	1,062,070
Provision for water	941,131

Silk Industry

Siik worm rearers were seriously affected by the crisis in the silk industry. In order to help them a premium was granted to them by Royal Decree Law of 25th February, 1935 amended by the Royal Decree Law of 16th May, 1935 at the rate of 1 Lira for every kilogram of fresh, merchantable cocoons, produced in the kingdom in the silk work rearing year 1935 and consigned to cooperative drying plants.

The organization of pools of cocoons for the purpose of collective sale seemed a useful means of arresting the decline in silk worm rearing by assuring

to the silk worm rearers a sufficiently remunerative minimum price. The cocoon pool have developed as follows :—

1929	800,000 kilogram	out	of	38.499,800	produced.
1932,	7,046,000	,,	,,	38,245,760	,,
1933,	6,689,848	,,	,,	34,453,800	,,
1934,	9,774,231	,,	,,	28,838,941	,,

Thus in 1934 season the cocoons consigned to the pools reached more than a third of the total quantity of cocoons produced in the kingdom.

Subsequently facility was given (Royal Decree Law of 27th June 1937 to the Ministry of Agriculture and Forests) to grant subsidies upto a total amount of 1,800,000 Liras to the producers of silk worm eggs, at a rate not exceeding 12 Liras for every ounce of eggs produced and not utilized for the silk-worm rearing season of 1938.

Credit

A large number of farmers, in consequence of the reduction in the value of landed property and in the return from it, found themselves quite unable to pay as they became due the half-yearly instalments payable to land credit institutions for the amortisation of mortgage loans contracted in time of prosperity. Accordingly the Government, for the purpose of relieving the pressure of the debts which burden rural

properties and of supporting the farmers in their efforts to place their holdings on sound lines, by the Law of 13th March 1933, authorised the land credit institution to allow to borrowers who at the date of coming into force of this Decree were in arrears and the interest chargeable thereon on account of delay in payment over not more than twenty half-yearly instalments, beginning from 1st January 1935.

The co-operative societies for the purchase and sale of agricultural requisites also found their credits to have become frozen. It became more and more apparent that it was necessary that these societies should intensify their work both in the supply and distribution of machines and agricultural requisites and for the organization of collective sale of agricultural produce. To place them on a sounder basis, a Financial Institute of Agricultural Consortia was established by the laws of 30th May 1932. The object of this Institute was to contribute to the development of Agriculture by facilitating the placing of the agricultural consortia and of the Italian Federation of Agricultural Consortia on a sound financial basis. Its capital was formed by (*a*) a contribution from the State of 6,000,000 Liras a year for thirty years ; (*b*) the shares of the affiliated institutions (agricultural credit institutions, savings Banks, the Credit Institute of the Italian Savings Banks, and the Monti di Pieta of the first class). The Law

of 30th May 1932 authorised the Minister of Agriculture and Forests to grant a contribution not exceeding 4 per cent per annum towards the interst payable by farmers on loans granted to them by the agricultural consortia, by co-operative societies for the sale of agricultural products and by the Italian Federation of Agricultural Consortia on produce delivered for sale. The bulking and collective sale of produce are thus encouraged.

By the Royal Decree Law of 17th September 1932, authority was given to land Credit institutions to grant, for loans guaranteed exclusively or mainly by mortgages on rural property, the option of paying by instalments over a period of ten years, starting on 1st January 1935, of the last four half-yearly instalments due and not paid. The land credit institutions were further authorised, by the Royal Decree Law of 19th October 1933 to make advances of the expenses necessary for the transformation of the loans, recovering them by an increase of the half-yearly instalments not exceeding 3 per cent. In this way has been removed the obstable resulting from the difficulty which, in this period of crisis, borrowers find in paying the sums necessary for the transformation of loans. The right has also been conferred on the borrowers by the Royal Decree-Law of 12th February 1934, of obtaining a prolongation of the period of the loan up to 50 years, in

cases in which the mortgage guarantee was formed of rural property mainly rural, and up to 40 years, in cases in which the mortgage guarantee was formed of property exclusively or mainly urban.

A further and decisive step in the policy of relieving the charge resulting from burdensome loans was taken in the Royal Decree-Law of 18th September 1934, by which it was laid down that the institutions carrying on land credit business and the National Consortiam for Agricultural Improvement Credit must extinguish the bonds issued in the Kingdom at a higher rate of interest than 4 per cent in correspondence with loans guaranteed by mortgages on rural or urban properties, replacing them by bonds bearing interest at the rate of 4 Liras per annum on every 100 Liras of nominal capital. The holders of the land bonds to be extinguished who refuse to accept the conversion will obtain the repayment of the corresponding nominal capital. To form an idea of the benefit which this measure conferred on the farmers, it is sufficient to consider that the aggregate amount of the mortgage loans in bonds at an interest higher than 4 per cent is 4,300,000,000 Liras, of which about half affects rural properties.

The above measures adopted enabled the farmers to transform their most burdensome debts into loans for long periods with a State contribution towards the payment of the interest and, in addition, to obtain

from the State a special contribution towards the payment of interest on the debts contracted for the improvement of the farms which might be shown to be the most deserving. For the first case it was laid down that the annual charge payable on the new loan for a long period (25 years) must not exceed, including interest and repayment of capital, 7½ per cent at the charge of the farmer ; for the second case, means were given to adjust the financial position of the distressed farms by contributing, with Government aid, to the unification of the debts into a single long term debt less burdensome to the farmer.

Since the crisis of prices rendered it difficult for many farms to meet the agricultural debt contracted, they were also enabled to repay by instalments spread over fifteen years the loans obtained for working expenses, the State contributing to the interest charged for delay in repayment up to 3.15 per cent.

For the conversion of the more burdensome agricultural debts a sum of 2,500,000 Liras was allocated in the budget ; for the conversion of loans for working expenses into loans repayable by instalments spread over fifteen years, 4,500,000 Liars ; for contributions in favour of the most deserving farmers, 46,000,000 Liras.

In the period under review, loans on the pledge of agricultural products were specially encouraged in order to arrest the fall in prices which always occurs at the moment of the harvest.

United States of America

The study of relief measures adopted in this country are very instructive inasmuch as it depends upon its agricultural exports to a great extent. Perhaps the farmers of United States suffered the most from the recent depression not only because the prices fell considerably but much more so on account of the tarriff walls being raised by different countries and also on account of the fact that United States of America was a creditor country and so had to accept exports from other countries rather than could export its own products. In such a difficult situation the government of United States steered clear from the difficulties and granted relief to the people.

We are told that United States of America suffered miserably in fixing the prices of agricultural products and all attempts to fix a reasonable price of different agricultural products failed inspite of the huge resources of the public treasury. The readers will see if this statement is correct or is only made to screen the offence of omission in this country. We would have liked to give in details most of the measures adopted but the space at our disposal compels us to cut down the details and restrict our description to the most essential measures only.

Surplus stock

The readers know that in the attempt to stabilise prices the Government purchased different agricultural commodities and held huge stocks for disposal. There was no buyer for these stocks and there seemed to be no way to utilize the same. We are living in a civilized world which had made the distribution of different commodities so unequal that on the one hand there seems to be overproduction and on the other people stand in need of those articles but have no means to pay for the same. People are living a miserable life in the world of plenty. United Sates of America was no exception to these inequalities rather it excelled other countries inasmuch as it is the richest country in the world.

In order to utilize its stock and on the other hand to provide the needy, the Federal Farm Board on 3rd Oct. 1931 announced that it was willing to sell cotton and wheat for cash on such deferred payments as agreed upon, to assist in relieving the distress of those unable to provide clothing and food for themselves as a consequence of unemployment or drought. It was considered that by this method relief will be available to the needy and the surplus stock will be depleted. The relief agencies were required to show that they had made arrangements for the milling of wheat or the spinning and weaving of cotton and for the distribution of the commodities to deserving persons.

Five months later (7th March, 1932) the President approved a resolution authorising the distribution of Government-owned wheat to the American National Red Cross and other organizations for the relief of distress, and also for the feeding of live stock. For these objects the measure authorised the use of not more than 40,000;000 bushels. The wheat was to be delivered to the Red Cross, or to other organizations designated by the Red Cross on applications and in amounts approved by the President. The wheat might be milled or exchanged for flour or feed ; but the processing was to be without profit to any mill, organization or person. A first application from the Red Cross, approved by the President, for 5,000,000 bushels of wheat was received by the Federal Farm Board on March 8 and on the following day the Board authorised the Grain Stabilization Corporation to deliver this quantity of grain.

The Emergency Relief and Construction Act was signed by the President on 21st July, 1932. Amongst other provisions, this Act authorised the Corporation to make loans for the purpose of financing sales of surplus agricultural products in foreign markets and for the carrying and orderly marketing of agricultural commodities and live stock produced in the United States, and to create in any Federal land bank district agricultural credit corporation, with a paid-up capital of not less than $ 3,000,000 to be subscribed by the Corporation.

An important step taken by the Department of Agriculture, in conjunction with the executive committee of the Association of Land Grant Colleges and Universities, was to convene a conference to consider the problem of national land utilization. The conference met in November 1931 and passed a series of recommendations. The general attitude of the Conference in formulating new policies should be to develop and conserve the land resources in such a manner as to provide adequately for present and future needs. Soil fertility should be preserved, production and demand should be adjusted, provision should be made for the economic use of marginal lands, and in other ways the security of agriculture should be secured.

Amongst the topices on which recommendations were made by the Conference were : An inventory of land resources as a basis of land use ; the indication of crop areas and their limits ; indication of range of economic returns by soil regions ; intensifications of production ; acquisition of land by the public ; management of public lands ; population ; taxation ; reclamation ; and rural credits.

Will the governments in India take lesson from America to start agricultural planning and not to follow the haphazard measures they are following today.? But who can teach an all-wise agricultural experts in India ?

A State which is already pursuing an active policy of land utilization is that of New York, where there were between three and three and a half million acres of abandoned farm land. The policy is to develop the best land as highly as possible and to purchase and reforest the abandoned land. Two important laws were passed. One of these provides State aid to counties that purchase land and reforest it, and the other appropriates $ 20,000,000 for the purchase and reforestation, within a period of 15 years, of over 1,000,000 acres of land.

New policy

In 1932 an active policy of national reconstruction was set on foot by the new President. The aims of the new policy were to raise prices and to reduce the disparity between the prices of agricultural and industrial products, to reduce the burden of agricultural indebtedness and to reorganize the system of agricultural credit.

Emergency Agricultural Adjustment Act

A very important measure, the Emergency Agricultural Adjustment Act, passed by Congress, was approved by the President on 12th May, 1933. This Act is divided into three parts or "titles." The two parts which most directly concern us are (1) Agricultural Adjustment for different crops and (2) Agricultural Credits.

The policy of the 1st is declared to be to "restablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of agricultural commodities in the base period." For all agricultural commodities except tobacco, the base period is defined as August 1909 to July 1914 ; for tobacco it is August 1919 to July 1929. The consumers' interest is to be protected by readjusting farm production of the consumers' retail expenditures for agricultural commodities or products derived therefrom, above the percentage which was returned to the farmer in the period August 1909 to July 1914.

To carry out the declared policy, the Secretary of Agriculture is given power : (1) To provide for reductions of acreage or reductions of production, or both, of the basic agricultural commodities (of which a list is given in the Act) through agreement with producers or by other voluntary methods and to provide for rental or benefit payments in such amounts as he deems fair and reasonable ; (2) to enter into marketing agreements with processors, associations of producers, and others engaged in the handling, in interstate or foreign commerce of any agricultural commodity or product thereof ; (3) to issue licences permitting processors, associations of producers, and others to engage in the handling of any agricultural commodity or product thereof, or any competing

commodity or product thereof, such licences to be subject to such terms and conditions as may be necessary to eliminate unfair practices or charges that tend to prevent the restoration of normal economic conditions in the marketing of agricultural commodities.

Revenue for benefit payments and for administrative expenses are to be obtained from processing taxes. Whenever the Secretary of Agriculture determines that rental or benefit payments are to be made with respect to any basic agricultural commodity, a processing tax is to be levied on the first domestic processing of the commodity, whether of domestic production or imported. The processing tax is to be at such a rate as equals the difference between the current average farm price for the commodity and the fair exchange value of the commodity, that is, the price that will give the commodity the same purchasing power, with respect to articles farmers buy, as such commodity had during the base period. If, however, the rate would cause a decline in domestic consumption or a fall in the farm price of the commodity, the Secretary may fix the processing tax at such a rate as will prevent accumulation of stocks or depression of the farm price.

Cotton

We give below the description of the working of this Act as regards different crops. The most important crop being cotton, we begin with it.

In 1932-33 the situation of the American cotton-growers owing to the fall of prices and the accumulation of stocks became so bad that it was decided to proceed at once to the restriction of the 1933 production by offering inducements to the growers to plough under a proportion of the growing crop. It was calculated that it would be necessary in this way to eliminate 10,000,000 areas, or 3,000,000 bales. A scale of "rental payments", that is, payments to the grower for each acre withdrawn from production, was drawn up on the basis of the prospective yield of cotton. This was as shown in the following table :

Cotton Rental Payments (1933 Programme).

Estimated yield per acre for 1933 on land to be taken-out of production.		Payment per acre.
100 to 124 pounds	..	$ 7
125 to 149 ,,	...	,, 9
150 to 174 ,,	..	,, 11
175 to 224 ,,	...	,, 14
225 to 274 ,,	..	,, 17
275 pounds and over	..	,, 20

It was further decided to give the growers the alternative of taking a lower rental payment together with an option at 6 cents per pound on Government-owned cotton in an amount equal to the estimated

production on the land withdrawn. The lower scale of rental payments, when the option was taken, was as shown in the following table :—

Cotton rental payments when combined with an option (1933 programme).

Estimated yield per acre for Cash on land to be taken out of production,		Payment per 1933 acre in addition to option.
100 to 124 pounds	...	$ 6
125 to 149 ,,	..	,, 7
150 to 174 ,,	...	,, 8
175 to 224 ,,	...	,, 10
225 to 274 ,,	...	,, 11
275 pounds and over	...	,, 12

The compaign was conducted through the county agents of the Agricultural Extension Service in the several States of the Cotton Belt and through local committees specially formed. By 14th July the acreage and baleage signed up was sufficient to warrant the Secretary of Agriculture in declaring the programme in effect. The amount of land actually withdrawn from production was approximately 10,400,000 acres.

Under the adjustment contracts signed by the producers the land taken out of cotton could only be used for the production of soil-improvement of

erosion, preventing crops or food or feed crops for home use. Another provision was that the producers were not to increase the amount of fertilizers used on the acres remaining in cotton, and from the total sales of fertilizers in the Cotton States in June and July 1933 it is clear that this condition was fulfilled.

The rental payments received by the farmers who participated in the 1933 emergency programme amounted to 528,000 dollars. To this must be added the sums received as option profits by those farmers who elected to take an option on Government-owned cotton.

The money to pay the rental payments was raised by a processing tax of 4·2 cents per pound on cotton, the next collection from which in the 1933-34 commercial season was expected to amount to about $ 116,000,000. The principle on which the rate of a processing tax is to be fixed was laid down by the Agricultural Adjustment Act. It was to be such rate as equals the difference between the current average farm price for the commodity and the fair exchange value of the commodity, that is, the price that will give the commodity the same purchasing power, with respect to articles farmers buy, as such commodity had during the base period (August 1909 to July 1914).

For the season 1934-35 an adjustment programme was drawn up with the object of reducing the cotton acreage to 25,000,000 acres. In addition to rental

payments on the land withdrawn from production it was arranged to give to producers who participated in the programme a benefit payment on the domestic portion of their crop (that is, the production of the average price in the 1934-35 season was below the fair exchange or parity price.

The rate of rental payment for each acre withdrawn from production was to be 3½ cents per pound on the average yield of lint cotton per acre for the farm in the years 1928 to 1932 inclusive, with a maximum rental of $18 per acre. The payments were to be made in two instalments, the first between 1st March and 30th April 1934 and the second between 1st August and 30th September 1934.

The final results of the 1933 adjustment programme may be indicated by a few figures. The number of acres taken out of cotton production and made available for producing food and feed crops and for soil building was 10,497,000. Yield per acre was unusally high in 1933, and inspite of the reduction in the area from which cotton was gathered, the total production amounted to 13,047,000 bales; it was estimated that the area withheld from production would have produced other 4,500,000 bales had there been no adjustment programme. The world carry-over of American cotton was reduced from 11,588,000 bales on 1st August 1933 to 10,634,000 bales on 1st August 1934.

The average price of lint was 9·7 cents per pound in the 1933-34 crop year as compared with 6·5 cents in 1932-33; the price of cotton seed was $14·43 per ton in 1933-34 as against $10·36 in 1932-33. The farm value of lint in 1933-34 was $633,266,000 as compared with $242,132,000 in 1932-33; that of cotton seed, $83,741,000 in 1933-34 as compared with $59,880,000 in 1932-33.

The number of producers who received rental payments was 1,032,000 and of these 575,312 also received options on Government-owned cotton at 6 cents per pound.

Under the 1934 adjustment programme cotton-growers were not offered any options on Government-owned cotton, but received both rental and parity payments. The number of contracts received was 1,004,167 and the area withdrawn from cotton production was 14,603,000 acres, or 40 per cent. of the contract-signers' base acreage. The rental and parity payments made up to 20th December 1934 amounted to $86,440,471 and it was then estimated that the balance to be paid was $28,092,960.

The contract signed in 1934 was a two-year contract, covering also 1935. But the maximum reduction in area which could be asked from the contract-signers in 1935 was 25 per cent. of their base acreage; this represented a total of 9,802,000 acres to be withdrawn from cotton production.

Contract-signers were to be paid for their rented acres at the rate of 3½ cents per pound on the average yield of lint cotton per acre for the years 1928-32 with a maximum rental of $18 an acre. They were also to receive a parity payment of 1½ cents a pound on 40 per cent. of their average production for the base period, this represented the percentage of production which ordinarily moves into domestic consumption.

Compare with this the method adopted in Bengal to reduce the area under Jute. Government of Bengal believes only in pursuation and does not care for the loss of those cultivators who suffer by not cultivating the Jute crop. The Government can never dream of paying the cultivator out of the processing tax of Jute Mills who mostly belong to English men nor can they find any money from Government treasury.

Wheat

Under the wheat plan it was provided that if a wheat grower would contract to reduce his acreage under wheat for two years to an extent to be fixed by the Secretary of Agriculture but not exceeding 20 per cent below his average acreage under wheat in the years 1930, 1931, and 1932 he would be guaranteed "the parity price" of wheat in 1934 and 1935. The parity price is the price which will give a bushel of wheat the same purchasing

power as a bushel of wheat had in the pre-war period. This price varies with the cost of the goods the farmer buys; if the cost of such goods rises, the "parity price" also rises. It cannot be less than 88·4 per cent. a bushel on the farm, and at the end of July 1933 it was 93 cents a bushel.

In addition, the wheat-grower contracting to reduce his acreage was offered a bounty of 28 cents a bushel on his average production in the years 1930, 1931, 1932. Of this bounty 20 cents per bushel was to be paid in autumn 1933 and 8 cents per bushel in the following spring.

The land taken out of wheat production in accordance with the contract must not be used for the production of any agricultural product for sale, but might be used as follows: summer fallowed; planted to soil-improving or erosion-preventing crops, or to feed-crops, for the production of live stock (or live stock products) for home consumption on the farm or to food crops for home consumption on the farm.

Although the wheat situation, both in the world as a whole and in the United States, was extremely serious, it was not felt that there was need for immediate and drastic action such as was taken in regard to cotton. The 1933 wheat crop was unusally small and there was no fear that the situation would become aggravated as it certainly would

have been in the case of cotton if steps had not been taken artificially to reduce the 1933 crop.

In these circumstances no emergency programme was put in operation for wheat and there was time to prepare a carefully considered adjustment programme for 1934 and 1935.

The first instalment of 20 cents per bushel was paid during the winter and amounted to approximately \$ 68,000,000. Before the second instalment was paid it was decided to raise it to 9 cents a bushel, as a measure for the relief of the wheat-growers, who were suffering severely from the effects of the serious drought that occurred in the spring of 1934. The benefit payment for 1934-35 was fixed at 29 cents per bushel, also payable in two instalments.

The funds for making benefit payments were provided by a processing tax on the milling of wheat. This tax, which was fixed at 30 cents per bushel in 1933-34 and continued at the same rate in 1934-35, was calculated to bring in \$108,000,000 a year.

No adjustment programme was applied to the 1933 crop, but farmers who signed contracts to reduce the acreage to be harvested in 1934 and 1935 received benefit payments in 1933-34 and 1934-35.

The 1933-34 benefit payments amounted to \$ 98,600,000. Regarding this as an addition to the cash income of the wheat-growers from the sale of wheat in 1933-34, we have that the cash income plus

adjustment payments in 1933-34 amounted to $ 374,000,000as compared with cash income from the sale of wheat in 1932-33 of $ 196,000,000

In 1934-35 the first instalment of the benefit payment was also 20 cents per bushel on the producers' allotment, and it was originally intended that the second payment should be 9 cents, less deduction for costs of administration. In July 1935, however, it was announced that the second payment would be at least 13 cents per bushel (less deduction). This increase was rendered possible by the fact that reserves had accumulated from the processing tax on wheat (30 cents per bushel). It was estimated that the total benefit payments would amount to about $ 101,600,000. Adding this to the cash income from wheat sold in 1934-35, estimated at $280,000,000 we get as the cash income plus benefit payments in 1934-35 the sum of over $391,000,000.

On 25th May 1935 a referendum was taken amongst wheat-growers on the question whether a wheat adjustment programme should be put in operation after the existing programme, which expired with the 1935 crop. The voting was open to all wheat-farmers, whether contract-signers or not. The farmers voted by a majority of nearly 7 to 1 in favour of a continuance of the adjustment programme.

It was accordingly decided to offer to farmers a contract covering the four-year period 1936 to 1939.

The contract was, however, to be subjet to termination at the end of any marketing year by the Secretary of Agriculture and any grower was to be given the option of withdrawl at the end of the first two years. The required reduction with respect to the 1936 crop year was at first fixed at 15 per cent., but this was afterwards altered to 10 per cent. as it was found that the 1935 crop was considerably smaller than had been anticipated. In subsequent years the reduction required was not to exceed 25 per cent. but it was to be determined within the limit as required by conditions.

Tobacco

Different kinds of tobacco grown in America considerabley differ in the methods of production, prices, uses and characteristics. It was found necessary to divide them into six different classes .

The growers of filler and binder types were offered payment in consideration of reducing their tobacco acreage in 1933 and of maintaining reductions in 1934 and 1935 if so requested ; limitations were placed on the use of the land relieved from tobacco production ; and a tax was levied on the domestic processing of cigar tobacco.

The contracts provided for two payments to the growers in each year that the contracts were effective. The first payment was uniform for all producers in each district, but varied among the districts ; for

1933 it was $47 per acre in New England, $24 in Pennsylvania and New York, $15 in the Miami Valley and $20 in Wisconsin and Minnesota. These rates represented approximately 20 per cent. of the fair exchange value of the average production of one acre of tobacco in each district.

In order to save the 1933 crop from being sacrificed at low prices, the Agricultural Adjustment Administration decided to ask the growers to sign a tentative contract under which they agreed to reduce their production in 1934 and 1935 by an amount required by the Secretary of Agriculture but not exceeding 30 per cent. of the average of the years 1931 to 1933 inclusive. Within a week more than 90 per cent of the flue-cured tobacco growers had signed the contract.

In consideration of this reduction of production two payments were to be made to the grower. The first was a rental payment of $17·50 for each acre kept out of tobacco production during 1934. The second was an adjustment payment and was to be equal to 12½ per cent. of the net market value of tobacco produced on the farm under the terms of the contract.

The rental payments amounted approximately to $4,000,000, the adjustment payments to $8,000,000 and the price-equalising payments to $4,275,000.

To raise revenue for the payments to be made under the 1934 and 1935 adjustment programmes, a processing tax of 4.2 cents per pound (farm sales weight) was levied on flue-cured tobacco from 1st October 1933. Under the adjustment Act this tax could only apply to the tobacco used in domestic manufacture and normally about 60 per cent. of the flue-cured tobacco produced in the United States is exported.

Similiar were the measures adopted for cigar, leaf tobacco, flue-cured tobacco, Burley tobacco, Fire cured tobacco, and Dark air cured tobacco. So we need not describe these measures in details.

Rice

In 1934 the adjustment of rice production was effected by means of marketing agreements which, besides providing for the payment of minimum prices to producers, embodied a measure of production control. There were two agreements, one for California, the other for the southern rice-growing region (Arkansas, Luisiana, Texas and Tennessee).

The crop control plan embodied in the California agreement aimed at a reduction of 20 per cent. below the 1929-33 average. To encourage compliance with the programme, the agreement provided that whenever there was a sale of rough rice, the miller should

deduct 30 per cent. of the price and pay it into a producers' trust fund. This fund, less the expense of administration of the crop-control programme was divided among participating growers according to the allotted quota.

This plan worked well in California, where growers complied almost unanimously with the programme. A similar plan put in operation in the southern rice-growing region broke down. Here the millers agreed to pay 40 per cent. of the price into a trust fund; participating growers afterwards were to receive the additional 40 per cent. of the price paid to them, while growers who did not participate only received the original 60 per cent. of the price.

Credit

The second part of the Emergency Agricultural Adjustment Act dealt with credit and is known as the Emergency Farm Mortgage Act of 1933.

The Federal Land banks were authorised to issue farm loan bonds bearing interest at 4% to an aggregate amount not exceeding $2,000,000. The funds so obtained may be used as first mortgage on farm lands at a price not exceeding in each individual case the amount of the unpaid principal of the mortgage on the date of purchase or 50 per cent. of the normal value of the land mortgaged and 20 per

cent. of the value of the permanent improvements thereon which-ever is the smaller.

Within a period of five years commencing sixty days after the Act takes effect, the interest on all loans made by a federal land bank was to be reduced to 4½ per cent. and no repayment of principal was to be required during the five-year period, if the borrower were not in default with respect to any other condition or covenant of his mortgage. To enable the federal land banks to postpone the repayment of principal, the Secretary of the Treasury was authorised to make advance to them, a sum of $50,000,000 being appropriated for this purpose. In addition, the Secretary of the Treasury was authorised to pay to the federal land banks, the amount by which interest payments on mortgages held by them had been reduced.

Provision was made for the liquidation of the joint-stock land banks, which were prohibited from issuing or making farm loans after the date of enactment of the Act. To provide for orderly liquidation the Reconstruction Finance Corporation was authorised to place the sum of $100,000,000 at the disposal of the Farm Loan Commissioner, to be used for making loans to joint-stock land bank at a rate of interest not exceeding 4 per cent. It was to be a condition of receiving such loans that the joint-stock landbanks should agree to reduce the interest on mortgage loans

held by them to 5 per cent. and to refrain for a period of two years from proceeding against the mortgagor on account of default in the payment of interest or principal.

To enable the Farm Loan Commissioner to make direct loans to farmers for the reduction of debts, for providing working capital for farm operations or for the redemption of foreclosed farms, the Reconstruction Finance Corporation was directed to make available to him the sum of $ 200,000,000.

Corn and Hogs

Since hogs in the United States are fed mainly upon corn (maize), it is impossible to separate the corn and hog problems. They become in fact a single problem, commonly referred to as the corn-hog problem.

At one time the United States was a large exporter of hog products, but since 1923 exports of hogs have dwindled, gradually at first, but more rapidly from 1929 onwards. The reasons are to be found in the position of the United States as a creditor nation, the growth of hog production in Germany, Denmark and other European countries, and the restrictions placed by many countries on imports of hog products. The decline in export from 1923 to 1932 was equivalent to about 8,000,000 hogs.

As the supply on the home market became excessive, hog prices declined, and the need for a reduction of supplies was evident.

The purchase of sows and pigs for the account of the Secretary of Agriculture terminated on 29th September. By that time 6,188,717 pigs and 229,149 sows had been purchased at a total cost of $ 30,643,101. The processing of the heavy pigs and sows produced approximately 100,000,000 pounds of dried slat pork which was distributed to unemployed families. From the light pigs approximately 21,000,000 pounds of inedible grease was produced, besides tankage.

The total expenses of the programme, including the charges allowed to packers for processing and handling pigs and sows, amounted to approximately $ 34,000,000, which was considerably less than the advance estimate of $ 50,000,000.

In consideration of these reductions the contract-signer was to receive a rental payment of 30 cents per bushel on the preceding two-year average production per acre of the contracted acreage, and adjustment payments of $ 5 per head on 75 per cent of the average number of hogs farrowed on his farm and sold by him during the previous two years.

The hog adjustment payment was to be made in three instalments. The first instalment of $ 2 was to be paid as soon as possible after acceptance of the

contract by the Secretary. A second payment of $1 was to be made on 1st September, 1934, on certification that the contracting producer had reduced the number of litters by 25 per cent. The third payment of $2 was to be made on 15th November 1934 upon certification that the contract had been fully carried out.

It was provided that the contracted acres (that is, the land withdrawn from corn production) should be used only for planting additional permanent pasture, for soil-improving and erosion-preventing crops not to be harvested, for resting or fallowing the land, for weed eradication or for planting farm woodlots.

The grand total of corn-hog reduction payments was expected to be $ 350,000,000. To provide funds to meet these payments a processing tax was levied both on hogs and on corn. As originally fixed the processing-tax on hogs was to have been 50 cents per hundredweight from 5th November 1933 (when it went into effect) to 1st December 1933; $ 1 from 1st December 1933 to 1st January 1934; $ 1·50 from 1st January 1934 to 1st February 1934 and $ 2 from 1st February 1934 to the end of the marketing season. This schedule was, however, afterwards modified; the $ 1 rate was continued until 1st February 1934 when the rate was raised to $ 1·50; it was further raised to $ 2·25 on 1st March, 1934.

As only a comparatively small volume of corn is commercially processed, large receipts were not to be expected from the processing tax on corn. The tax was first fixed at the rate of 28 cents per bushel of 56 pounds, the full amount that could be levied under the Agricultural Adjustment Act, but at a public hearing held on 2nd November 1934 evidence was produced to show that the full rate would cause a reduction in the consumption of corn and tend to build up a burdensome surplus. The rate of the tax was accordingly, fixed at five cents a bushel from 5th November 1933 to 1st December 1933 and thereafter at 20 cents a bushel. The 5 cent rate was, however, continued after 1st December, as investigations made showed that a higher rate would tend to cause a reduction in consumption.

The total amount of the loans made under the corn loan plan was nearly $90,000,000. Approximately 270,000,000 bushels of corn were put under seal as security for the loans.

Under the new programme of corn loans put into operation in October 1934, the loan value was 55 cents per bushel, the maturity date was 30th June 1935, and holders of notes might, if they wished, call the loans while corn was at or above 85 cents on the Chicago market. The total amount loaned under this programme was approximately $10,856,000 on the security of 19,739,000 bushels.

The volume of loans proved smaller than provided under the original programme, but this is explained by the fact that the price of corn had risen considerably above the loan value.

Dairy Products

The dairy industry has become the most important branch of agriculture in the United States, notwithstanding the fact that production is almost entirely for domestic consumption, the exports of dairy products being comparatively insignificant. There are nearly 4,000,000 producers of milk in the United States, and the total income of farmers from dairy products averaged more than $1,800,000,000 during the period from 1929 to 1932; this amount is greater than the gross value of the production of any other branch of American agriculture. In 1932 the income from dairy products constituted approximately one fourth of the total farm income.

Local milk marketing agreements as well as a few national agreements for the marketing of various dairy products were entered into and large quantities of butter and cheese were purchased by the Government for relief purposes. A programme for the control of milk production was put forward by the Agricultural Adjustment Administration but it failed to obtain the support of the dairy farmers and was withdrawn.

The milk marketing agreements fall into two periods. Up to 1st February 1934 a large number of proposals for agreements had been filed, but owing to the length of time involved in the hearings only a small number of agreements had actually been entered into. Simultaneously with the signing of the agreements licenses were issued to distributors in the same sales areas containing the same conditions as the agreements. On 1st February 1934 a change of policy wes decided upon, and all the existing agreements, 14 in number, were terminated. New licenses were issued for the different sales areas to be followed, as quickly as possible, by agreements.

The main difference between the original agreements and the new licences was that while the original agreements provided both schedules of prices to be paid to producers and schedules of retail prices, in the new licences there were no schedule of retail prices. It had, in fact, been found impossible to enforce a fixed scale of retail prices. In some of the new licences, applicable to sale areas where a large proportion of the milk was retailed by producer-distributors, a schedule of low minimum prices below which milk could not be retailed was included.

In the summer of 1933 the production of butter was unusally large and considerable quantities moved into storage. Prices sharply declined and the Agricultural Adjustment Administration was urged to

purchase a sufficient amount of the surplus to bring stocks down to normal. As a temporary expedient, the Administration authorised the President of the Land O' Lakes Creameries, Incorporated, to purchase surplus butter for resale to the Administration; it was stipulated in the authorization that no profit should be made on the transactions. Under this plan more than 11,000,000 pounds of butter were bought from 17th August to 25th October 1933 inclusive.

As a preliminary to efforts to increase the consumption of milk a survey was made in a number of cities, of the quantities of milk actually consumed. It revealed a very general under-consumption of milk as judged by accepted nutrition standards.

Early in 1934, however, the Agricultural Adjustment Administration decided to terminate all the marketing agreements and to proceed by issuing licenses only. Many of the existing licenses remained in effect and a number of others were subsequently issued. Up to the end of 1934, 49 licenses had been issued.

The declared object of the milk licenses is to raise and maintain the income of milk-producers as much as possible within an open, competitive market structure. Milk is classified according to the use made of it and each distributor is required to pay the same price for milk of the same class. The licenses provide for a market pool in which the proceeds

from the sales of all milk are apportioned among producers. Some of them embody the base-surplus plan.

The licenses are frequently amended, in order to bring prices into line with existing conditions. In certain districts, prices were raised in 1934 on account of drought, but were lowered again when the rains came. In the spring season of flush production in 1934 prices were lowered in some licenses.

Speaking broadly, the effect of the licenses has been to raise the price of milk to producers. Returns obtained from more than 20 sales areas in which licenses were operative showed that the average price of Class I milk to producers in June and July 1934 was 1.1 cents per quart higher than in May 1933, when the depression reached its low point. During June and July 1934 the producers received from 61 to 87 per cent of the average prices for the period 1927 to 1929, whereas a year previously they had only been receiving from 33 to 72 per cent of the 1927-29 average. In January 1935 it was calculated that producers serving 22 federally licensed milk markets received $ 14,685,180 more in gross returns for their Class 1 milk during 1934 than they would have received for the same volume under average prices paid for this class of milk in May 1933. But the increase in price cannot be entirely attributed to the system of licenses.

A review of 40 metropolitan milk markets comparing conditions in December 1934 with those of December 1932 showed, that whereas in December 1932 the price ranged from 2·10 cents per quart to 7·55 cents in December 1934 it ranged from 3·85 cents to 8·3 cents. Of the 40 markets the producers were receiving in December 1934 higher prices than in December 1932 on 35 markets, of which only 15 were under federal licenses, while 13 were State-regulated and 7 were unregulated.

The Treasury advanced a total of $ 11,9250,000 for the purchase of butter, on the understanding that it was to be repaid out of the proceeds of a processing tax on butter to be levied later. Butter purchased with these funds was disributed through relief channels, as also were additional quantities purchased by the Federal Emergency Relief Administration with its own funds. The total quantity of butter purchased and distributed by the Government from August 1933 to June 1934 was 51,572,265 pounds. In addition, 6,346,265 pounds of cheese were purchased between 2nd January and 24th April 1934.

With the funds appropriated under this Act, as amended, purchases of cheese and butter were begun on July 2, 1934. By December 1934, a total of 10,135,000 pounds of butter and 367,007 pounds of cheese had been purchased, and contracts had been made for the delivery of an additional 6,040,000 pounds of butter and 11,189,952 pounds of cheese.

The purchases of cattle, to which we have already referred as one of the measures of drought relief, operated at the same time as a surplus-removal measure.

Marketing agreements for evaporated milk and for dry skim milk were put into effect as early as 1933, and prices to producers were increased as a result. In March 1935, a series of hearings were held to take evidence regarding a proposed butter marketing agreement for eleven West Coast and Mountain States. In general the representatives of cooperative producers' societies were in favour of some form of Federal agreement, while the independent distributors were against it.

Sugar

Congress voted the necessary legislation (the Sugar Control Act) and supplementary measures were taken by the Executive. A processing tax of one-half of a cent per pound, effective from 8th June 1934, was imposed on sugar and the duty on imported sugar was lowered by the same amount.

Processors, handlers of sugar, or others, were prohibited from importing sugar into Continental United States, and from marketing sugar manufactured from sugar beet or sugarcane grown in the United States, in excess of the established quotas.

The quotas for 1934, in terms of short tons, raw value, were as follows :—

Imported		Total sugar.	Direct consumption sugar.
Cuba	.. ..	1,901,752,14	418385
Phillihphine Island	..	1,015,185,68	79661
Puerto Rico	.. ..	802,842,20	133119
Hawaii	.. ..	916,550,16	26023
Birgin Islands ...	...	5,469,81	
Home-grown (continental United States).			
Beet-sugar producing area		1,566,166,00	
Lousiana and Florida cane-sugar)	.. ..	261,034,00	

A reserve of 17,000 tons was left for subsequent allotment to other countries.

The allotment of 1,566,166 tons for beet sugar was divided between the two major producing areas, west and east, in exact ratio with their respective sugar production in 1932 and 1933.

Fruits

In 1933, it was estimated that the crop of cling peaches in California would be sufficient to pack 12,500,000 to 13,000,000 cases. Had the whole crop been packed a very low price to the grower would probably have resulted. Accordingly a marketing agreement was effected whereby the pack was limited to 10,000,000 cases and each canner was given an

allotment to pack a certain quantity of fruit. The agreement provided that canners should pay growers $20 per ton for No. 1 peaches used in canning and that in addition they should contribute to a surplus control fund which was to be used in purchasing the surplus No. 1 peaches above the quantity required to pack 10,000,000 cases. Growers whose peaches were not canned received $15 per ton for their peaches, the difference between this price and the price paid for peaches canned representing approximately the saving in cost of harvesting.

An agreement was entered into by the shippers of deciduous fruits in California, with a view to limiting supplies shipped to market at such times as it appeared that excess supplies would have a detrimental effect on producers' returns. The proration committee appointed under the agreement consisted of seven members of whom at least three were to be growers or representatives of growers' co-operative organizations. The effectiveness of the agreement was not tested in 1933 as a heat wave greatly reduced market supplies of fruit.

A similar agreement was effected for the marketing of Tokay grapes from California and produced very satisfactory results.

Another agreement related to the shipping of fresh fruits from the North-western States (Washington, Oregon, Idaho and Montana). The agreement

provided for a limited proration of the volume of fruit moved to market, the control of the quantity of fruit moved to the various auction markets, a restriction of the fruit shipped to market by grade and size and the establishment of minimum prices f. o. b. shipping point.

An agreement was effected at the beginning of the 1933 season for English Walnuts grown in California, Oregon and Washington. The agreement authorised a control board to determine the percentage of the available supply which might be sold in the shell in the domestic and Canadian markets. This percentage was to be applied to the individual supplies of all packers. The balance of the supply was to be turned over to the control board to be sold as shelled walnuts or to be exported. The agreement also provided for both maximum and minimum packer sales prices. Minimum prices to producers were not provided in the agreement since more than 90 per cent. of the crop were sold by co-operative societies which operated on a pooling basis.

A marketing agreement for canned ripe olives grown in California was effected in December 1933, not merely for a season but as a continuous agreement. It limits the pack to a quantity that can be sold at a reasonable price and provides a plan of proration amongst growers. It also provides for minimum prices to growers and minimum resale prices by canners.

The foregoing is not an exhaustive list of the marketing agreements put into effect in the period under review. In May 1934, twenty-two agreements were in operation for special crops. Many other agreements were considered but were either not approved or were still under consideration at the close of the period.

In August 1933 the Agricultural Adjustment Administration requested canners to increase their prices to the growers of certain canning crops above those stated in their contracts with the growers, most of these contracts having been made early in the year while economic and financial conditions were extremely unsettled. In compliance with this request canners increased their prices by from 20 to 37½ per cent. on canning corn, tomatoes, lima beans and cabbage or kraut.

Drought Relief Measures

The great drought that occurred over a large part of the United States in the spring of 1934 rendered necessary a number of measures for the relief of farmers in the drought-stricken areas.

One of the first measures taken was to increase the second wheat adjustment payment from 8 cents per bushel to 9 cents and to hasten the issue of cheques to the farmers in the spring wheat areas, which had suffered severely from the drought.

The greatest difficulty was that of the supply of forage crop for the live stock.

Two series of measures were accordingly taken: the removal of restrictions on the growth of forage crops on farms under contract in connection with the wheat, tobacco and corn-hog adjustment programmes, and the purchase of surplus cattle in the drought areas and their disposal in various ways which effectively removed them from those areas.

The cattle purchased by the Agricultural Adjustment Administration to the close of business on 23rd July 1934 totalled 1,363,332 heads. Actual shipments of purchased cattle amounted to only 574,095 heads up to 21ts July. Total payments which had been certified to the close of business on 21st July amounted to $ 6,899,189, of which benefit payments were $2,459,242 and purchase payments $ 4,439,947.

Another measure was the reduction in railway freight rates, authorised in June 1934 by the Inter-estate Commerce Commission, on live stock and feed for the drought areas.

In December the allotment of funds available for purchasing drought cattle was increased to a total of $115,892,363. This made it possible to purchase approximately 1,200,000 more cattle.

In August 1934, a programme was put in operation for the purchase of sheep and goats. Owing to

the drought, flocks came down from the mountain ranges nearly a month earlier than in normal years and were brought into grazing areas deficient of forage. To relieve the pressure on the limited feed supplies, the Government offered to purchase ewes one year old or over for $2 per head and female Angora goats of the same age for $1·40 per head. Half of the payment was to be made in the form of service and disposal payments. Up to 31st December 1934, purchases of 3,596,867 sheep and 354, 432 goats from 27,555 farms in 20 drought states had been reported.

Approximately 36,767,000 acres were withdrawn from the production of corn, wheat, cotton and tobacco under the 1934 contracts and of these it was estimated that 47·1 per cent was devoted to new seedings of meadow and pasture crops, annual hay crops, and other erosion-preventing and soil-improving crops, and 29·8 per cent to feed crops for home use. By successive rulings of the Adjustment Administration all restrictions on the growing of forage crops were removed first in respect of the contracted acreage and afterwards in respect of all general or noncontracted acres on farms under contract. The farmers freely took advantage of these modifications in their contracts; a survey made after the removal of the restrictions showed that 88·6 per cent. of the contracted areas were being used for production of forage.

In September 1934 the Adjustment Administration announced that it would guaranteea commercial market for corn fodder and stover. Contracts were offered to individual farmers under which the Administration agreed to purchase such corn fodder as might remain unsold on 1st April 1935. The prices offered were such as to encourage farmers to conserve what would ordinarily be a waste product. The amount actually contracted for was comparatively small, but farmers conserved fully 1,000,000 tons of this substitute forage.

With a similar object, the Federal Surplus Relief Corporation announced in August 1934 that it would purchase from producers up to 150,000 tons of soybean hay at $15 per ton for Grade 2; this price was attractive enough to stimulate the harvesting of a larger portion of the crop for hay than under ordinary conditions.

Another measure was the importation, duty-free, of Canadian hay. To arrange for this, an Agency for Deficiency Distribution was formed. The hay was purchased for the Agency by Canadian dealers and delivered by the Agency to local dealers in the drought areas of the Northwestern States for distribution. Basic prices per ton were for different classes of hay; $7·50 for upland prairie-hay; $6 for prairie-hay; $10·50 for alfalfa; $8·50 for timothy, and so on. To the basic prices were added freight

costs on both sides of the border ; $2 per ton for baling ; 50 cents per ton commission to the Canadian dealers ; 50 cents per ton to the Distribution Agency to cover its operating cost and $1·50 per ton to the local handler in the United States.

Yet another measure was the movement of crack wheat from the Pacific Northwest to drought areas. This was encouraged in February 1935 by a 25 per cent reduction in freight rates on carloads of cracked soft white wheat in sacks, or on whole white wheat to be cracked and sacked in transit, moving from Idaho, Oregon and Washington to officially designated drought counties in Montana, North Dakota, South Dakota and Wyoming.

With a view to the more efficient utilization of the available feed supply, the Federal Livestock Feed Agency was established in Kansas City in September 1934 to act as a clearing house to supply the drought counties with information as to the best sources from which to obtain the kinds of feed they needed. The counties were thus able to place consolidated orders covering their total needs. In building up an information service the Agency circularised more than 30,000 shippers and handlers of feeds. In April 1935 a branch office of the Feed Agency was set at Amarillo and Texas.

In the measures above described the American railways cooperated by offering reduced rates for

the moving of surplus cattle out of the drought areas and for the moving of live stock feed into those areas. Both Canadian and American railways fixed special rates for the transport of Canadian hay.

With supplies of feed so limited there was risk that insufficient quantities of seed would be saved, particularly in the case of the best adapted and superior varieties of grain. In order to guard against the risk the Agricultural Adjustment Administration acquired considerable quantities of seed grain. The purchase of spring wheat, durum wheat, malting barley, feed barley, oats and flax seed was begun early in August and was practically completed in late November. By 24th November $14,489,000 had been expended to the purchase of seed grain and commitments had been made for an additional $2,505,000. Up to 1st December 18,988,000 bushels of seed grain had been acquired, including 5,500,000 bushels of spring wheat, nearly 1,000,000 bushels of durum wheat, 10,000,000 bushels of oats, about 2,000,000 bushels of barley and 400,000 bushels of flax seed.

The seed grain purchased was cleaned under the supervision of the Bureau of Plant Industry and distribution of cleaned seed began in the middle of December. The conserved seed supplies were sold at the purchase price plus the estimated cost of cleaning and handling. No distribution, however, was made in any area unless it was clear that the re-

quired varieties could not be furnished at reasonable prices through regular commercial channels. Up to 10th June 1935 the Government had distributed over 12,000,000 bushels of seed grain of adapted varieties.

Closely connected with the plans for dealing with drought are the plans for preventing soil erosion. Large sums are being spent by Federal agencies for the purchase of sub-marginal land and the increase of the amount of forest land, and it is proposed to establish a strip of forest a hundred miles wide across the Great Plains to aid in retaining soil moisture and preventing wind erosion. Another measure with similar objects is the distribution of seed of erosion preventing crops to farmers who agree to plant vacant areas to provide cover for the land.

Hungary

We are extremely grateful to the Government of Hungary for giving us all the necessary facilities of visiting most of their institutes and to study first hand the agricultural conditions. We take this opportunity to express our thanks to the manager of Hofherr Fchntrz Claytod shuttleworth Co Ltd., Budapost...who deputed his assistant to show us most of the places in Hungary and to explain to us the necessary details connected therewith, in the English language. We felt quite at home in a country of a foreign language which had hardly anything in common with the English language.

This is the one country which we consider is at present the poorest amongst the countries of Europe. But from the buildings, institutions and places of recreation we could very well see that it must have once been a very flourishing and prosperous country. Inspite of the fact that most of their fertile lands were taken away from them by the enemies during the Great War still the organization of this small country is simply wonderful. For every important agricultural research they have got an uptodate institute and people are trying their very best to

improve their economic conditions by improving the articles of export. In this country we saw an agricultural museum which does not only show the development of agriculture and agricultural implements from the beginning of the world till date but it also supplies the most uptodate knowledge in connection with all the branches of agriculture. It is a wonderful collection and the most instructive and useful place for the students of agriculture. Except for the fact that the names and explanation of different articles, though given in other languages of Europe, are not given in English; the museum is such an extensive place of interest that it took us full two days to go round. We cannot give a detailed description of this museum in this book but we must say that many people told us that it was a unique place in the whole world.

The Government, though financially not very sound, concentrates its resources by different means given below to develop the agricultural conditions of the country:

(*a*) By practical research in different branches of agriculture.

(*b*) By keeping pure strains of different agricultural products and by apprising the different markets of other countries with the utility of those articles.

(c) By granting marks for the purity and genuineness of the article exported.

(d) By ameliorating the economic conditions of the farmers.

Below we give some of the interesting measures enacted during the last few years to help the agriculturists.

The principal action taken by the Hungarian Government with a view to improve the position of the farmers was based on the principle that the crisis in agricultural products affects most severely those countries which, like Hungary, have a surplus of such products to export. For this reason the Government directed all its efforts to finding means of encouraging the sale of Hungarian agricultural products on foreign markets, although these efforts, on account of the separation of Hungary from its natural outlets, which are closed to it by customs barriers, have very often encountered great difficulties. Nevertheless, the Government endeavoured, during the agricultural year 1931-32, to conclude some agreements of this kind with different foreign countries. In certain cases it was based on the quota system and in others it was based on the guaranteed purchase of articles from other countries in exchange of agricultural products supplied to them. The main countries with which such agreements were made were Austria, Germany, Czechoslovokia, Italy,

France, Spain, Yugoslavia, Switzerland, Belgium, Romania, and Greece. In 1934 the agreement of Rome was concluded between Hungary, Italy and Austria which rendered possible the preferential sale of 3,200,000 quintals of wheat in Italy and Austria. The grain crop in 1934 was bad and so it could easily be disposed of. The agreement was extended to 1935.

Agreements were also arrived at with Germany. Of great importance was the contract concluded for the delivery of 100,000 quintals of lard and 15,000 quintals of salted fat pork for the year 1934. The price was agreed upon monthly. For butter, slaughter stock and eggs it had also been possible to obtain higher quotas. The contract for flax seed concluded for the year 1934 by which Germany undertook to take 250,000 quintals at a price higher than the normal price, was renewed for 1935. But unfortunately the crop in these two years was so scanty that the quota could not be utilized.

To encourage the marketing of Hungarian agricultural products in foreign countries the Government took further measures through the medium of the Hungarian Institute for Agricultural Exports, established in 1929 by the Government and subjected to the supervision and control of the Ministry of Agriculture. This institute constantly keeps a watch over all the markets, it gives the exporters useful information on possible outlets in foreign

countries for various agricultural products, on prices quoted in foreign markets and on the requirements of different countries, and it has encouraged business relations between Hungarian exporters and foreign commercial firms. This institute has been a very valuable help in facilitating the exports of agricultural products as we shall see under different heads. Export was based upon quota system but still the Government was very alert to see that the quality of grain going out of the country should be suitable and wherever a defect in quality was observed an attempt was made to improve the same. The export was directed by the office of foreign trade which took a sample of every consignment and passed it for examination to the wheat and flour experiment station so that an idea could be obtained of the quality of wheat exported and it could be ascertained that in which region measures should be taken to improve the quality. The procedure above mentioned was applied to wheat and rye.

Export premiums are paid to the firms which can show that they have paid the producers prices corresponding to the prices paid in foreign countries. This is known as the cultivation agreement and it applies to hemp, flax and oil seeds largely.

The other step taken in this connection was the reform of the freight charges on the Hungarian Railways. The reform came into force on 1st October

1931; it may also be regarded as a measure taken by the Government to encourage the marketing of agricultural products in foreign countries and at the same time a measure to facilitate the home trade in these products. This reform had two principal objects: (1) to improve the financial situation of the Hungarian railways and (2) to help at the same time the public economy and, in particular, the producers. Amongst the provisions of this reform the most important for the farmers were those relating to reductions in transport charges on cereals (wheat, barely, rye), on wine and must, on eggs, on market garden produce, as well as on live stock carried long distances and on the machines indispensable for agriculture.

Impressed by the relations which exist in Hungary between the prices of agricultural products and those of industrial products the Government endeavoured to mitigate the serious situation which might also arise if the prices of the industrial products indispensable for agriculture appreciably exceeded the purchasing capacity of the farmers. It was with this object that the Government, in order to prevent the aggravation of this disparity, established on 7th January 1932 the National Committee for the Analysis of Prices, the members of which were nominated by the Government. It soon succeeded, thanks to the work of this Committee, in preventing the increase of the disparity and

even in securing some reductions in the prices of several commodities, such as petroleum derivatives, coal, iron goods, textile goods, oils and stearine required for agricultural machines, and certain articles which serve for the production of plants, etc.

To encourage animal husbandry, the Government granted to the communes credit without interest, for a period of one year, which must be utilized in the acquisition of breeding stock.

For the acquisition of forage plants the Minister of Agriculture also granted credit without interest, up to a total amount of 200,000 pengos, to farmers finding themselves in extreme need for fodder.

Great importance must be attached to Decree No. 6100/1933, by which financial help is given to Hungarian agriculture. It was decided that the land tax of small farmers and of all vine-growers should be paid out of a special fund to be set up for the purpose. The financial help thus granted to farmers may be estimated at 75 millions of pengos. This amount is made up by the boletta reduced to 3 pengos per quintal of grain, the tax for the redemption of the tax on sales of rice, *viz.*, 4 pengos per quintal on the quantities delivered for cleaning, the tax of 1/4 per cent on cartel agreements, the tax to be imposed on charcoal, coke and briquettes, the additional tax on sales of colonial products, groceries, textile goods, etc.

Efforts to reduce Unemployment

In face of the increase in unemployment which had taken place even among agricultural workers, the Government endeavoured to increase the works of public utility. Amongst those may be mentioned the execution of public works which were to be financed on the basis of a decision of the Financial Committee of the League of Nations authorising the appropriation of a sum not exceeding 15 million pengos, taken from the transfer fund, for the purpose of investments of public interest of such nature that the sums invested can be repaid out of the resulting revenues.

In 1934 there was a serious drought which caused serious damage and appreciably reduced the demand for seasonal labourers. The Government in the first instance alloted 6,500,000 pengos for public works and further opportunities were given to them so that they may have some means of subsistence in the winter.

The labour market remained depressed as the farmers could not afford to employ outside labour. The Government urged upon the farmers to restrict as much as possible the use of harvesters and to employ manual labour in its place. The labourers were paid in kind and they could supplement their earning with the small plots of land which they possessed for cultivation. The Government exempted the labourers

from the milling tax. In 1934-35 Government sold to the workers at reduced prices cloth for making their garments.

In 1922 about 100,000 workers obtained small plots for cultivation. The price of these plots had to be paid by 1928 but on account of the crisis the price was found to be excessive. In 1933 the owners of these plots were allowed to pay only a small rent instead of amortisation charge or else to pay only two-thirds of the payment due. The order was recieved in 1935.

Payment of Taxes

Decree No. 2600 issued on 5th March 1933 granted important remissions in certain cases with regard to the payment of direct taxes by farmers. The tax based on "external indications" was withdrawn. The rate of interest of 12 per cent. charged on arrears of taxes was reduced to 6 per cent in cases in which arrears were paid before the end of a full year, and otherwise to 9 per cent.

To satisfy an important request of the vine-growers, the Government reduced by 50 per cent. the excise duty on the consumption of wine, with effect from January 1933.

The other method employed by the Government for the reduction of burdens was the reduction of taxes. Order No. 8650/1933 enabled farmers. and also artisans and shopkeepers whose customers consisted chiefly of farmers, to pay in wheat and in rye

their arrears of taxes, but not the current taxes. The Grain Company charged by the State to receive these payments, which worked mainly with public means, accepted these grains in central depots, in presence of two representatives of the local authority. Cereals which were not of the prescribed quality were also accepted, but, of course, with the customary deduction. A further order prescribed minimum prices below which the grain could not be calculated in the account. Considering the situation at the time, these prices were fairly favourable. These measures had already been abolished, but at that date they had a beneficial effect, because they lightened the grain market. In this way it was possible to absorb 1,300,000 quintals.

The State continued to undertake the payment of certain taxes for specified classes of farmers, as it had already done previously. Thus it paid out of a certain fund, the land tax of the small farmers whose net cadastral income was below 100 gold crowns or below 200 gold crowns if the income from vines was included. The small farms created in virtue of the agrarian reform also enjoyed this privilege. Moreover, the compulsory labour, which consisted in carting, had been reduced. These losses of income for the State were covered by what are called the Fund of the Bolettas (Grain coupons) which, in addition to several other sources, was mainly built up by a tax on milling.

This had had the natural consequence of the regulation of professional milling and a strict supervision of the mills.

Relief Measures in case of Bad Harvests

The harvest of 1934 resulted below the average and, in some districts which suffered from drought, results were even catastrophic. In the affected regions the farmers received loans of seed in kind repayable in wheat or rye of the following crop. Those who had suffered extraordinary losses received, without special application, a remission of taxes that became due. In the same conditions, the protected farms did not lose the protection accorded to them, even if they were not in a position to make the payments they had to make in virtue of the measures on the protection of debtors. Loans were also granted by the State for the distribution of feed grain. Public works were carried out in order to help distressed agricultural labourers.

Dairying

Another important measure in this direction was the regulation of the marketing of milk. Order No. 5000/1933 followed the same lines as previous measures. The dairy undertakings were subjected to the control of the Ministry of Agriculture and their number was fixed. The infraction of the provision of this Order, particularly of those relating to prices,

could be punished by the cancelling of the concession. The supervision of the undertakings and of the whole milk trade was exercised by the Royal Supervision Station the expenses of which were borne by the undertakings in question, in the form of special contributions (0·002 pengo per litre). Outside the closed district of which we shall speak presently, the concession was only granted to a single dairy undertaking in each locality, preference being given to co-operative societies. As a consultative body for all questions relating to marketing which were not political or administrative in character, a National Dairy Committee was formed to collaborate with Minister of Agriculture. For the purpose of protecting their interests the producers who supplied milk in the closed district were combined in a compulsory organization the Federation of Dairy Producers, with headquarters in Budapest. A compulsory organization of the opposing party had also been formed, the Federation of Dairy Undertakings of Budapest.

The town of Budapest with its suberbs was the first 'closed district' subjected to regulation for milk trade. Other towns could be declared later to be 'closed districts'. Fresh milk could only be supplied in this district within the limits of a fixed quota. This quota was fixed at the quantity supplied in the previous year. The Minister of Agriculture had the right to reduce the total quota according

to the possibil ities of marketing. The quota was distributed amongst the dairy farms and dairy undertakings situated outside the closed district which had already supplied milk to the capital for at least a year. The co-operative societies formed by the farmers who directly supplied milk to the metropolitan consumers also had a share of the quota. The isolated suppliers who during the past year had continuously brought milk to the capital and had sold it retail there, as well as the producers (farmers) could be authorized to continue their direct sales without passing through the undertakings registered in the Federation of Dairy Undertakings. But they had to form themselves into cooperative societies within a period to be fixed by the Minister of Agriculture. These dairy undertakings were required to submit themselves to special supervision on the part of the authorities.

An essential condition of this regulation was that no more milk could actually be placed on sale in the closed district than was fixed for the quota or allowed to the retail sellers, for it was only thus that it could be possible to maintain at a fixed level the prices of fresh milk and improve equitably the price of manufactured milk. That is why it was laid down that the *undertakings* could sell fresh milk beyond the quantity fixed by the quota ; that milk could only be introduced into the "closed districts" at certain points

of entry, and, lastly, that in the closed district milk could only be bought from authorised dealers. The sale of milk by itinerant vendors was prohibited.

The quantity of milk supplied in excess of the quota was considered as manufactured milk and was paid for, as such. The price of it depended on the prices obtained for butter ; the fixing of the price for butter fell upon the National Dairy Committee. It was this Committee which administered the fund for the maintenance of prices, by means of which the prices of manufacturing milk were raised according to the conditions of the sale of fresh milk and of manufacturing milk. To this fund the undertakings paid 0·025 pengo, the producers who sold directly 0·04 pengo per litre and the dairy farms situated within the closed district who were authorized to sell directly, up to 54 pengos per cow.

We may note, further, that fresh milk could only be sold with a minimum fat content of 3·5 per cent. In order to encourage organized sale an association of milk producers was formed, to which all the farms and cooperative societies, supplying milk outside their own premises to undertakings of transformation or sale had to join. The maintenance of the prices was made uniformly. Direct sale to consumers was only allowed to dairies which were in a position to guarantee the soundness and hygienic manipulation of the milk. In order to satisfy as far as possible

the exigencies of hygiene, the milk could only be sold in closed recipients with a special covering prescribed by the Minister.

In order to help the milk trade, importation of artificial fats of margarine was prohibited. For the confectioners and for those who prepared for sale articles from them a compulsory declaration about their uses was strictly imposed.

Other agricultural products.

Private trade of various agricultural products had been combined by the Government through institutions called "syndicates". These syndicates enjoy a monopoly, but, in exchange, are subjected to control, in regard to the fixing of prices. The regulation of the market for wool, potatoes and firewood is chiefly conducted through such institutions. The regulation of the sale of paprika has been carried further ; its production has been limited to two closed districts in which producers can only produce in virtue of a concession and the quotas cannot exceed the average area cultivated during the last three years. For the purpose of effecting a uniform and orderly sale the producers of paprika have been combined into a compulsory co-operative society. The reduction of the areas under tobacco has been continued and this time farmers and specialized workers who have lost their employment have

received indemnities from the State. The sale of wine has been encouraged by the reduction of the tax on wine; this measure seems to have had the desired effect, since the consumption of wine in the capital amounted to 430,000 hectolitres in 1933 while in previous years it oscilated between 200,000 and 300,000 hectolitres.

National mark

From the point of view of the improvement of the quality of agricultural products, mention must above all be made of the introduction of national marks for flour. It is the Royal Institute for the Study of Cereals and Flour which has been charged with the duty of establishing the standard quality. The mills which, alone or together with other mills, maintain installations for the blending of flour and furnish proof that they possess a specialized staff capable of regularly determining the quality, may apply for authorization to affix the national marks to their product, but they must submit to the control of the said Institute.

The control of the quality of fruit intended for export has been introduced from two points of view. From the sanitary point of view, that is, in order to see that the fruit is free from all disease. It is insisted that every consignment shall be inspected and the transport undertakings shall refuse to transport any goods not accompanied

by a certificate. At the request of the exporter the quality of the fruit is also certified in the case of summer apples, peaches, plums and table grapes ; the inspection covers the identity of the variety, the ripeness, the form and the colouring, the question whether the fruits have been gathered with care, whether they are clean and without blemishes which spoil their appearance and are not decayed internally. In the case of fruit that is packed the inspection also relates as to whether the fruit is uniform and the packing is in accordance with regulations. The fruit which satisfies the conditions gets a national mark fixed by the Royal Office of Foreign Trade.

Safeguarding the Assets of Cooperative Societies

The assets of the Co-operative Societies for purchase and sale were endangered by the measures for the protection of debtors and the financial situation of the consumers' Co-operative Societies by the decrease in purchasing power. The State again intervened in time by granting subsidies up to a total of 11,200,000 pengos. But it was stipulated that certain Co-operative Societies must, if necessary, be liquidated or amalgamated with others.

Wool

Hungary produces about 5,000,000 kilogrames of wool, half the quantity of which she uses

herself and therefore the market is considered to be more or less assured and the Government intervetnion in marketing thereof resulted in success. The woolen industry undertook to accept 3,500,000 kg. at prices fixed according to foreign parity by a mixed committee supervised by the State. In addition, export is permitted.

Debt Relief

The Government clearly understood that one of the most important causes of the very serious situation of the farmers was that they were heavily burdened with debts and that, in consequence, the interest they had to pay was much greater than agricultural land could possibly bear. To reduce this evil, the Governmentt by Decree No. 5610 M. E. of 1931 established the National Council of Credit Business.

Law VIII of 1931 on the measures necessary to accelerate the settlement of agricultural debts was also voted for similar purposes. The fundamental principle of this law was to find means of bringing about agreements between creditors and debtors regarding the reduction of debts to a level corresponding to the debtors' capacity to pay and agreements regarding the conditions for the settlement of the debts thus reduced, recourse being had to the help ofthe Hungarian Financial Syndicate, to which the

work of completing the settlement of agricultural charges had been entrusted.

In order that the result of the productive work of the farmers may not be destroyed by distraint and that the farmers might not easily be dispossessed of their lands as a result of forced sales by auction, the Government granted to farmers and to vine-growers, by Decree No. 3800/1932 M. E., a postponement of four months, up to 31st October 1932, during which the measures for the recovery of their debts were subjected to a certain limitation.

Decree No. 6300/1932 M. E. issued on 1st November 1932, provided for the prolongation by a year of the extension of time granted to farmers whose capacity to pay had gone down, which included practically all the farmers.

The Government Order No. 14000/1933 aimed at providing a stable solution of the question of the protection of debtors for a period extending in the first instance up to October 1935.

The following facilities were allowed to indebted landowners in general : (1) the reduction previously granted of the rate of interest on loans guaranteed by mortgage or other bonds to about 5 per cent remained unchanged ; (2) for all other debts a maximum interest of 5½ per cent was fixed; (3) in case of distraint both debtor and creditor could ask the court to allow free sale instead of sale by auction, provided that it

could be shown that there were offers to purchase which exceeded forty times the cadastral revenue and two thirds of the estimated value ; (4) the procedure for distraint could be postponed if the debtor proved that he was involved in difficulty for no fault of his (5) provided the farmers paid current interest, the annual amortization charges that had become due and the current taxes—no further costs of proceedings or of execution could be charged against him and no application could be made for the sale by auction of his lands. Moreover the interest payable by farmers on mortgage loans, whatever may be the extent of their indebtedness, was reduced from 7½ or 7 per cent to 5 per cent.

Measures had also been taken to lighten the charges on short-term loans. At the request of the Minister of Finance, the financial institutions had declared themselves to be disposed, on certain conditions, to remit 25 per cent of arrears of interests ; for small landowners they would even remit as much as 50 per cent.

Decree No. 5590/1932 M. E. lowered the rate of interest on all agricultural loans.

The financial institutes pledged themselves to the Government not to proceed to sale by auction of agricultural properties until 31st October 1933, and to suspend, until that date, the sales of which the date had alreadv been fixed.

The Government proceeded to take definite steps to relieve the farmers of less than 10 cadastral arpents from very heavy debts. The rate of interest was reduced, the amortization of debt was spread over a long period.

Like every measure of a moratorium the protection of the debtors acted as an obstacle to a further granting of credit. The Government in order to meet this difficulty exempted the green debts from the operation of Debt Acts. It was done by order No. 1950 of 1934. The same order rendered possible the granting of production credit in general in favour of the protected farms upto a certain maximum limit and on condition that the transactions were notified to the committee for the supervision of protected farm.

Measures for the improvement of quality and increase of production

The so-called agricultural experts should take their lessons, if they care to, from this small country in the matter of improvements in quality and production of different agricultural produce. To find out new improved varieties of seeds is hardly any satisfaction to a grower unless steps are taken to find out the best regions where such varieties are likely to grow. When this is done, the second step is to find out the different uses to which these varieties can be put and then to bring about better prices for those who produce these

varieties. India can boast of thousands of new varieties in different agricultural produce but if any person in India or outside wants to get even a few maunds of these varieties guaranteed to be pure he can not have them. Wheat which was exported in large quantities every year has been ousted from most of the markets in foreign countries simply because its quality remains always unknown. A sample of wheat exported one year may contain more starch than in the other year not because of the difference in climate, method of cultivation or the regions where it is produced but more because the agricultural experts stop at discovering a new variety without caring to take measures which are likely to keep that strain pure. If they do not care to keep these varieties separate for the internal market it is their duty to keep them properly cleaned and genuine for the export market. Sometimes a layman like ourselves is constrained to believe that the experts are afraid of proving their claim which they generally make for a new variety. This fear seems to keep them away and prevents them from taking proper steps to organize the production and marketing of new varieties. They are simply satisfied by getting a certificate from a miller of foreign countries.

Mere getting a certificate from a firm as to the utility of a certain wheat or barley is hardly of any use unless the experts take measures by which they

can give more money in the pocket of the tiller of the soil. Let us see how long they can succeed in befooling the poor farmer.

Measures for the encouragement of production—The increasing insistance on quality has for years past led to the taking of measures for promoting uniformity in the varieties of wheat produced and for improving their quality. In 1928 an experiment station was set up for wheat and flour. This station devised means for the testing of quality. A farinograph appratus was devised by the director of the station for this purpose. A wheat register was set up by means of which it was possible to examine the varieties grown in the country from the point of view of their yield and quality. Four varieties were found which were considered to be the most appropriate from every point of view and the Minister of Agriculture undertook to induce the wheat growers to give preference to these varieties. Between 1931 and 1934 seed-wheat was distributed in quantities which increased from year to year reaching 300000 quintals in latter years. The results of these measures proved the importance of the exhibition held in 1934. It was found that the area under the new varieties went upto three fourth of the total area under wheat. By making a test in the exhibition it was found that 30% of the yield was of the first quality, at least 50% was of second quality, so that the inferior qualities had almost entirely disappeared.

In like manner, efforts were made to improve the quality of other cereals. The steps taken to improve the qualities of potatoes brought about a new progress. The effort to introduce uniformity into the production of beans was almost completed, a few years after this had begun by dividing the country into districts according to the quality of beans produced. Other measures relating to lentils are in course of being carried out. On the experiments begun in 1934 on the cultivation of soya beans, of the castor oil plants and of cotton it is not yet possible to say anything definitely.

Nobody can deny that efforts are made in India to improve the quality of different crops but as there is no simultaneous effort to find out a market for the new strains, nor there is any attempt to keep these strains pure in the market either for internal consumption or for export, these efforts have proved of very little value, barring the improvements in cane varieties which has been given an impetus on account of the heavy tariff walls against imports of sugar.

New varieties are not taken up by the Indian farmer with the same speed as in other countries. The main reason being that the experts in India do not want to hear the criticism of the farmer nor they aim ultimately to increase the yield of the crop. The experts should remember that as long as the

market conditions remain what they are the cultivator cannot afford to grow any variety which does not give him the highest yield however good the variety may be from other point of view.

Denmark

Credit

Denmark is an agricultural country in the sense that its main source of income is agriculture. While in view of the fact that it does not export articles as they are produced from the soil but turns them into manufactured goods before exporting it may be said to be an industrial country. A judicious blending of both these economic sources of income had its peculiar difficulties inasmuch as the prices on the one hand went down and on the other the importing countries restricted the exports.

The Danish Government mostly dealt with the credit side of the problem and took many important measures to relieve the farmers from the burden of indebtedness. Study, therefore, of such measures is very beneficial to those who are interested in the debt problem of the peasantry.

In the autumn of 1931 the Parliament amended the Law concerning the grant of State credits from the Industrial Loan Fund to owners of farms for the attainment of compulsory agreement without bankruptcy. The chief provisions of the law in its present form are the following:

In order to obtain a loan, the dividend to be paid to the creditors may not, in the agreement, be fixed at more than 35 per cent of their claims. As a rule, the loan is not to exceed 10 per cent of the assessed value of the farm and may in no case amount to more than 8,400 crowns. It is further prescribed that the debts by the agreement must be reduced to a sum corresponding to the assessed value of the farm plus the value of its live and dead stock and that, in addition to a mortgage for the loan on the property, a surety must also be found for one-fourth of the debt.

In addition to the dividend of 35 per cent mentioned above, the creditors may receive a further 35 per cent provided that, during a period of five years, they waive this part of their rights in return for a mortgage on the property having second claim after the State. This mortgage does not bear any interest but becomes due at the end of five years. In case, during this period of five years, the average weekly quotations of butter and bacon rise to at least 35 per cent above the average of the latter half of 1931, the mortgage must be paid in its entirety, otherwise at a proportionately reduced sum. If, on the other hand, no rise takes place in the price level of the two products mentioned, the obligation to pay is dispensed with.

The loans are granted by a committee consisting of the chairman of the Industrial Loan Fund and four

members appointed by the Ministry of Agriculture. To assist this committee a county committee of three members is established in each county the chairman of which is appointed by the Ministry of Agriculture, while the other two are elected, one by the Farmers' Associations and the other by the Small Holders' Associations in the county concerned.

As a complement to the law mentioned above may be considered the Law of 16th November 1932 concerning postponement of distraint of agricultural property. According to this law, a forced sale may be adjourned, if the owner of the property attests that he has tried to come to an agreement with his creditors, or proves that there are good prospects for an improvement in the near future in his economic situation. Postponement may be granted up to three months and, in special circumstances. this time limit may be somewhat further extended.

In order to lighten the burdens of taxes and interest on mortgages paid by owners and tenants of farms, the Parliament granted, by a Law of 19th October 1931, a sum amounting to 30 million crowns to be distributed according to the following principles :

To owners of farms, whose indebtedness exceeds their own net capital, the aid grants may amount to 2 per cent of the sum by which the debt exceeds the total capital, but it may not in any individual case exceed 2,000 crowns. The grant,

which in the first place is to be used for covering the local taxes of the owner during the quarter in question is paid quarterly by the Government to the local authorities, one fourth at a time, beginning in the last quarter of 1931. Any sum remaining, has to be used for the payment of the county taxes due for October 1931 and April 1932 and, when these taxes also have been fully paid to the settlement of State taxes any sum which may still be left is utilized for the payment of the interest due on the first mortgage of the property.

Where a farm has been let to a tenant, the grant is divided between him and the owner or is in its entirety given to the tenant, in case the owner is not entitled to subsidy. Farms which, during the time between 1st April 1931 and the date of the coming into operation of the law, have been let or have changed ownership, cannot receive any subvention and for farms which, during the period of validity of the law are sold or let, the subsidy is withdrawn for the quarter in which the lease has been granted or the sale has taken place. A person who, in consequence of his own actions, is himself essentially responsible for his weak economic position, is ineligible.

About 135,000 farmers, *i. e.*, 67 per cent of all the farmers in the country, had shown themselves entitled to a subvention according to the provisions of the law described above. The sum of 30 million

crowns granted had proved to be inadequate to meet the demand and the Government had, therefore, to ask the Parliament to vote a further 18 million crowns and to approve certain restrictions in respect of the granting of the subsidy.

The purchase of seeds and fertilizers was facilitated for owners of farms and tenants by the provisions of the Law of 16th February 1932 according to which contractors for the supply of the requisites mentioned could be given preferential rights on the 1932 harvest and on the property of the purchaser. This right implied that the claim of the contractor took precedence over all other claims on the harvest or on the property in general, and further, that goods delivered according to the provisions of this law were not liable to distraint for meeting other claims on the debtor. Goods delivered under conditions laid down in the law were to be paid for at the latest on 1st October 1932.

The terms for granting the preferential right mentioned above were that the local authorities certified that the right was a necessary condition for the farm to be sufficiently supplied with seed and fertilizers, that the quantities of the said requisites ordered by the owner concerned were in fair relation to the area of his farm and its type of cultivation, and that the price asked for by the contractor was reasonable. As a further condition the law prescribed finally that the

farmer shall give an assurance on his honour that the quantities of seed and fertilizers ordered will be used exclusively on the farm owned or let by him.

Another Act was passed in the domain of agricultural credit, the Act of 16th June 1932 concerning the delay of payment for farmers and certain other occupational groups. According to the provisions of this law a farmer, against whom a warrant of distraint had been applied for, in respect of interest and amortization dues, could be granted delay of payment of the whole or part of the sum, if he, though solvent, was not in possession of the necessary means for the discharge of the debt.

By the Law passed in April 1933, Conversion of Loans was granted by Mortgage Credit Societies to a lower rate of interest and in order to maintain industrial life in general, and to make provision for increased fluidity, normal credit granting and a lower rate of interest a fund amounting to 200,000,000 crowns was created in May by the law establishing a crisis fund and the reduction of interest on deposits in Banks and savings banks. Loans from this fund could be granted to Mortgage Credit Societies as well as to private traders and trade organizations in order to make it possible for them to meet the difficulties which may arise as a consequence of the provisions in the Moratorium law. Mortgage Credit Societies received loans to an extent proportionate to the non-

payment by their debtors, in accordance with the law, of interest and amortization due.

Banks, savings banks, other institutions, societies and private persons who received deposits were not permitted to pay above 3 per cent of interest, in case of deposits at less than 3 months' notice, and not above 3½ per cent for deposits at longer notice. These rates could however by special permission be increased by half per cent. Banks, savings banks and other holders of deposits were obliged to reduce their discount rate at least in portion to the reduction of the rate of interest on deposits.

Farmers on small holdings established according to the Small Holding Acts of 1899 and 1919 had been given by the Law of March 25, 1933 relating to the payment of interest by State small holders the choice whether they will in the future pay the interest due to the State according to the provisions hitherto in force or prefer to pay, instead, a charge varying with the business conditions. In fixing this charge, the average prices for butter and bacon and barley during the period 1926-30 had been taken as the basis, and it had been calculated as to how many kilograms of the three products mentioned corresponded to the interest which the small holder concerned ought to have paid on June 11, 1933, assuming that one-third thereo was apportioned to each of the products. The prices, of the thus estimated amounts of

the products calculated at the level price of the preceding year, will then in the future represent the total charge to be paid by the small holder who preferred the new arrangement. The charge could not, however, in any case be more than 50 per cent above, nor less than 50 per cent below the estimated charge to be paid on 11th June 1933 or the sum to which this charge, on account of amortizations, had been reduced.

A step further was taken by the Conversion Law and the Law about the granting of interest, both passed by the Parliament on December 16, 1933. The Conversion Law facilitated voluntary conversion of 4½ and 5 per cent credit association bonds into new 4 per cent bonds and provided, in order to assist the conversion, that no higher effective interest than 4 per cent could be given or received in case of loans on real estate granted out of funds under public control or public trusteeship or administered according to the rules as to the investment of the property of minors. When such funds were invested in credit association bonds, only bonds bearing a nominal interest of 4 per cent or less could be purchased. Farmers and real estate owners whose property had a maximum value of 15,000 crowns were exempted from the conversion tax introduced by the law, which was payable by all other property owners, the burden of whose interest on mortgage was relieved on application by means of conversion.

The law as to the granting of interest laid down that interest not higher than 4 per cent could be paid or received in respect of loans granted on the security of real estate unless special permission was obtained, and that no such permission could be granted for a higher rate than 5 per cent per annum on such loans.

Sugar

The law of sugar monopoly was introduced and thereby prices and areas under cultivation of sugar beet were regulated. This measure intended to improve, for factories and refineries, the critical situation caused by the low sugar prices in the world market and to secure better prices for beet growers who had begun to replace sugar beet by more remunerative crops. The law gave to the already existing sugar factories and refineries in the country the sole monopoly of manufacture, refining import and export of sugar. Imports and exports could, however, take place only after special permission had been given by the Ministry of Commerce and Industry. The price to be paid for sugar beet to producers was fixed by the law at 1.80 crowns per quintal delivered at the factory, and in order to make it possible for the factories to comply with this provision, the Ministry of Commerce and Industry had been authorized to fix, in a fair relation to the beet price, the sugar prices at the factory, the whelesale price of imported sugar and, if necessary, also the retail price. Limitation of the

sugar beet area contracted between growers and factories could also be imposed by the Ministry of Commerce and Industry.

Exchange

Uptil 1932 the Government did not fix the price of agricultural products excepting sugar as already stated above.

In order to help the growers the exchange value of the Danish crown was cut down from 31st January 1933 to a level corresponding to 22·50 crowns equal to £ 1 sterling, a value which the Government intended to maintain and which naturally facilitated agricultural export to a great extent.

In order to lighten the burden of taxation the real property taxes in agriculture were reduced by a total amount of 20 million crowns. The reduction was made dependent on the development of the agricultural situation and the measure was to remain in force as long as the earning capacity of agriculture had not again reached the level of 1929

Vegetable and fruits

Agricultural produce, butter, bacon, eggs, live cattle and meat, experienced increasing difficulties in export and therefore the Government directed its attention to a more extensive cultivation of vegetables and fruit. These efforts were facilitated by the law of May 11, 1933 concerning the establishment of gardens,

fruit growing colonies, fruit plantations and workmen's gardens by which, for the financial years 1933-34 and 1934-35, a state subvention of about 3 million crowns had been made available for the laying out of gardens, not under 1½ hectare, on State land or on land purchased from a private owner, of fruit growing colonies with a total area of not less than 6 hectares and not less than 5 hectares; of orchards of 1½ to 5 hectares by farmers not possessing the necessary means, and of workmen's gardens for the workless.

Potatoes

On May 15, 1933 the law was enacted concerning manufacture of potato-starch and measures for the promotion of the growth and utilization of potatoes for industrial purposes. According to the provisions of this law, manufacture of potato-starch, alcohol and yeast was subjected to the issue of special permits by the Ministry for Trade and Industry, which also had to fix the price at the factory and, if necessary, even the retail price of the said products. The minimum price to be paid to the producers for potatoes with a starch content of 17 per cent was 300 *ore* per 100 kilograms. If the starch content exceeded or fell short of this percentage, the price was raised or lowered in proportion. Import and export of potato starch, alcohol and yeast was allowed only by special permit of the Ministry for Trade and Industry.

A special law known as Crisis Measures of December was passed in December 1933. It consisted of four provisions, (1) the grain regulation, (2) the butter and margarine regulation, (3) the regulation of the promotion of the marketing of cattle and beef and (4) the regulation of pig production.

By the above law the Ministry of Agriculture after consultation with the Grain Commission, was authorized to levy on all imported grain or flour as well as on other products suitable for feeding purposes a charge which, in the case of whole grain, will be so regulated that a minimum of 11 crowns and a maximum price of 13 crowns per 100 kilograms for the various kinds of cereals was maintained. The proceeds of the levy were paid into a special fund out of which 2 million crowns were to be used for the distribution of beef to the poor and the rest was to be distributed among the farmers according to the taxation value of their farms.

Dairy products

By the law promulgated in May 1933 the Minister of Agriculture was empowered to enact that in the manufacture of margarine, margarine cheese as well as of fat emulsions and products thereof, lard of native origin would be utilized, though in a quantity not more than 12½ per cent. of the total fat content of the product. The law also empowered the Ministry

of Agriculture to prohibit the import of the products mentioned as well as of hardened animal oils.

The butter regulation empowered the Ministry of Agriculture to levy on all butter sold on the home market a tax of 35 *ore* per kg. In the weeks during which the Copenhagen quotation was below 1.75 per kg., the tax was correspondingly increased in order to bring the price to a minimum of 2.10 crowns. Conversely the tax was reduced if the quotation exceeded 2.15 crowns and ceased to operate when the market price reached 2.50 crowns per kg.

According to the margarine regulation, all imports of margarine, margarine cheese were subjected to a duty amounting to 25 *ore* per kg. and all raw materials, imported or domestic (lard and suet etc., of domestic origin always excepted), intended for the manufacture of margarine, margarine cheese, fat emulsions, lard compound, palmine and household oils, to a levy of 30 *ore* per kg. The Ministry of Agriculture was further empowered to prohibit the import of all the products mentioned.

Despite the poor harvest in 1934 and constantly decreasing export trade in butter and bacon the economic position of Danish agriculture showed an improvement in 1934-35 due in the first place to the measures adopted for the promotion of agricultural relief. The index of price level for animal products increased between 1933-34 and 34-35 by about 16%

and for vegetable products by about 13%. The earning capacity of Danish agriculture, though not yet satisfactory showed a constant improvement during the past four years.

Canada

Canada is an agricultural country and depends mostly on the export of agricultural produce. Some of the measures enumerated here, therefore, will furnish a useful reading. The readers must remember that in Canada the intervention in favour of Agriculture is not so active as in other similiarly situated countries. In view of the extremely low prices to which wheat had fallen bonus of 5 cents per bushel was paid by the Federal Government to wheat-growers in the Prairie Provinces in respect of the crop of 1931.

Considerable sums were spent by the Federal and Provincial Governments for the relief of farmers who had suffered from the drought and partial failure of the crops in 1931.

In 1933 an agricultural stabilization fund was formed out of which to make supplementary payments to Canadian exporters so as to bring up to 4.60, Canadian currency, the rate of exchange they obtained when cashing, drafts in sterling. The difference was paid by the bank which cashed the draft and charged to the stabilisation fund. The measure came into force on 1st May; it applied at first to exports to the British market of animals, meat (including bacon and hams), poultry, maple products, fresh and canned

fish, tobacco, cheese, milk products, canned fruits and vegetables, eggs and honey and this list was afterwards extended.

The most important intervention of the State in favour of agriculture was the support given to the wheat market. The Federal Prime Minister was instructed to endeavour to maintain the price of wheat at not less than 50 cents the bushel, the Federal Government supporting him in the operations necessary to that end.

Canadian wheat Board

The Federal Government in June 1935 introduced a bill to meet the difficulties in the export of wheat and to dispose off the large carrying over of the same. It provided to establish a board to be known as the Canadian Grain Board, with power to purchase, receive and take delivery of wheat, oats, barley, rage and flax seed, or any one or more of such grains for marketing, and to sell, store, transport and market such grains. The bill was passed but was made available in the first instance only to wheat. The Board consisted of three members and was assisted by an advisory committee consisting of not more than 7 members, of whom four must be producers.

The Wheat Board had to pay an initial fixed price for wheat, approved by the Governor in Council, on delivery of the grain. At the same time it issued

participation certificates, which provided for additional payments to deliverers of wheat in the event that the sale price so far exceeded the initial price as to give a distributable surplus.

The Board had to offer wheat for sale continuously through existing channels of trade, but if, in its opinion, existing agencies were not working satisfactorily it had power to establish its own marketing agency. All elevators were brought under the control of the Wheat Board.

Natural Products

The Federal Government passed the Natural Products Marketing Act in July 1934. The object of the Act is "to improve the methods and practices involved in the marketing of natural products in Canada and in export trade." The "natural products" contemplated in the Act are "natural products of agriculture and of the forest, sea, lake or river."

A list of such products to which the Act applies is given in the definition, but the Governor in Council is authorized to designate other products to which the Act shall apply. The Act may also be applied to articles of food or drink wholly or partly manufactured or derived from any natural product as defined.

The Act is divided into two parts. The first part deals with the regulation of marketing and provides for the establishment of a Dominion Marketing Board

and local marketing boards. The Governor in Council is given discretionary powers to establish the Dominion Board, and may pay to the Board such sums, from moneys appropriated by Parliament, as are necessary to assist in the organization of local boards and to defray the direct operating expenses of the Board and any authorized expenses incurred in administering schemes initiated by the Minister designated by the Governor in Council. This minister need not necessarily be the Minister of Agriculture.

Marketing Scheme.

Natural Products Marketing Act 1934 became law on 3rd July 1934. By the end of July 1935 sixteen marketing schemes were approved under the Act. We describe only a few of these schemes in the following pages. The other schemes are of the same nature but apply to different conditions and different products.

(1) *The British Columbia Tree Fruit Marketing Scheme*—It provided for the election of the growers of tree fruits in British Columbia of a Local Board, with power to regulate the time and place of marketing, and the quantity, variety, grade and size of fruit to be marketed. The Board had power to license shippers and to require the growers who marketed their tree fruits only through licensed shippers to be registered. Shipper's sale of any fruit or group of fruits might be pooled, either for the whole regulated area

or for any particular locality within it. When pooling took place, a deduction had to be made from the price of each box of fruit in order to form an equalization fund, which was afterwards to be distributed prorata amongst the shippers who, in turn, distributed it amongst growers.

(2) *The Dominion Fruit Export Marketing Scheme*—By this scheme the marketing of all apples and pears intended for export are regulated. The scheme is administered by a Fruit Export Board which has the authority to regulate the movement of apples and pears exported from Canada and prohibit, during any period, the exportation from Canada of any quantity, size and quality, of fruit. All producers of apples and pears are required to register with the Export Board and all persons engaged in the exporting of fruit are required to obtain a license from the Board. No one except licensed exporters can export apples and pears from Canada. The expenses of the Board are defrayed by a levy on all fruits marketed outside Canada. The maximum levy is one cent per barrel or half a cent per smaller package.

(3) *The Ontario Unmanufactured Flue-cured Tobacco Scheme*—This scheme is administered, on behalf of the Dominion Marketing Board by a local organization, known as the Ontario Flue-cured Tobacco Marketing Board, consisting of nine members from the growers and five from the manufacturers. The expenses of the

local Board are defrayed by a levy on the marketing of tobacco. The local board has authority to order tobacco to be forwarded to or to be withheld from any specified domestic or foreign market; to compensate producers for any losses sustained as a result of such an order, except losses resulting from an order to withhold tobacco because of unsuitable grade or from restrictions imposed by the Government in the importing country; to prohibit the marketing of any flue-cured tobacco of any grade, quality or class. The Board may require all persons engaged in production of flue-cured tobacco to be registered, and all persons engaged in the curing, selling, shipping and storage of the crop to be licensed.

The local board inspects the crop each season and adopts an estimate of the seasonal average price. This price is to be determined by a committee on which growers and buyers have equal representation. In all contracts for the purchase of tobacco used for domestic consumption buyers must pay their average price. If the average price paid by a buyer for the sum total of his purchases for domestic consumption does not come up to the appraised value of the quantities purchased, the buyer is obliged to pay the difference to the local board, which, in turn, will distribute it among the growers who originally sold the tobacco.

(4) *The Eastern Canada Potato Marketing Scheme*—The scheme seeks to improve the marketing of potatoes and establish prices by prohibiting the marketing of ungraded stock or inferior grades ; by prohibiting consignment selling ; by promoting orderly marketing through permitting sales only under firm contracts ; by increasing consumption through publicity, and by developing export markets.

Besides having power to control the quantity of each variety, quality and grade of potato that may be marketed in or shipped out of the five provinces, the Board has the special power to prohibit the selling of potatoes by dealers except under the firm contracts. Each grower must register with the Board and each dealer must obtain a license from the Board.

(5) *The British Columbia (coast) Vegetable Marketing Scheme* is applicable to all vegetables except hot house tomatoes, hot house cucumbers and except beans, corn (maize) and peas grown or sold for canning.

The Board has complete control over the marketing of specified vegetable. It is authorized to conduct a pool or pools affecting any one grade of any variety of vegetable for the equalization of returns, from the sale of the products. It may also compensate shippers for losses sustained as a result of compliance with its orders, except that no compensation is to be

paid for losses resulting from orders to withhold inferior products.

Grants or loans may be given by the Board to assist the construction or operation of facilities for preserving, processing, storing or conditioning vegetables. All producers and all dealers must register with the Board, and the Board may also compel dealers to take out a license.

It may impose charges on the marketing of the regulated products to defray expenses, and it can issue regulations for the marketing, labelling, or stamping of all packages containing regulated products.

(6) *The Canada Jam Marketing Scheme*—applies to all Jams, Jellies or marmalades produced in Canada It is administered by the Jam Marketing Board. The Jam Marketing Board consists of fourteen members, including three representatives of licensed manufacturers, three representatives of the fruit growers, one representative of the consumers, and a chairman chosen by the other members.

The Board has the usual powers to regulate marketing and may prohibit the sale of Jams, Jellies, and marmalades below certain grades. It may give grants or loans for the construction or operation of preserveing, processing and storing fascilities. It may enforce regulations regarding the marking and labelling of containers.

(7) *The Dominion Dairy Products Marketing Equalization Scheme.*—The scheme contemplates the equalization to some extent of the returns from the marketing of milk products produced in Canada. The Dominion Marketing Board was empowered to regulate the delivery of milk to the factory and the manufacture of cheese and to determine the grade or grades of cheese eligible to share in the equalization funds. Incidentally the scheme was intended to encourage cheese production, and a bonus of 1½ and 1¼ cents per pound of cheese was to be paid out of a Federal Fund.

Australia

Australia is a country ef agricultural export and consequently the readers will find the study of the few measures adopted there to be interesting and beneficial. It is very difficult in a small book like this to go into the details of the different Acts passed for the relief of the cultivators, but we shall try to give in brief only a few of the different measures adopted.

Wheat

In the year 1931-32 a sum of £ 3,000,000 was set aside to help the wheat-grower, Out of this amount a premium of 6d. a bushel was granted on all wheat of the 1931-32 season exported or used for local consumption. How far this subsidy helped Australia to export wheat to India is a question to which the Finance Member of the Government of India owed an answer to the public of India. Will the Government of India save the Indian wheat grower and the flour manufacturer from the inroad of commodities subsidised by their Governments ?

A fresh measure was introduced on this basis known as the Wheat Bounty Act, 1931. The method of payment of this bounty is as follows : the grower and the buyer, or receiver, states on a prescribed form the quantity of grain sold or delivered for sale, and

the form is forwarded to the Department of Markets, whereupon a cheque for the amount due is sent to the farmer.

In December 1932, the proposed relief of £ 2,000,000 was assigned to be distributed by the State Governments at their discretion amongst the wheat growers with the sole proviso that it was not to be used as a payment to the grower on the quantity produced by him. There was however no embargo on payment on the basis of acres sown, the basis in fact was subsequently adopted in varying measures by the different State Governments. In addition, the Commonwealth Act provided a further sum of £ 250,000 for the benefit of primary products other than wheat, but including wheaten hay. This took the form of a rebate of 15s. per ton for each complete ton of artificial manure used for top-dressing pasture, etc., during the twelve months ending 30th November 1933.

This assistance provided for wheat growers under the Commonwealth Financial Relief Act of December 1932 was renewed for the 1933-34 wheat season, *i. e.*, in respect of all persons who had sown wheat during 1933. The proposals were this time embodied in a special Federal Wheatgrowers' Relief Act passed in December 1933. The sum made available was fixed at £ 3,000,000 instead of £ 2,000,000 as before, raised partly by a sales tax on flour up to 30th June, partly

by allocations from the Budgets of 1933-34, and 1934-35, and partly by an increase on the imported tobacco duty. Allocations were made as before, although for larger sums, to the individual States, and the administration of the grants left to each State, with the proviso that grants were to be made in accordance with growers' needs but on the basis of the quantity of wheat produced by the grower, and that moreover the grower must be able to make a statutory declaration, that he derived no taxable income during year ending 30th June 1933. ; and if he did drive such income there were other circumstances justifyiug his claim to assistance under the Act. In each State a Wheat Growers' Relief Committee was appointed, and a date fixed for the lodging of applications, at latest 16th May 1934.

The assistance was contemplated as taking the form of a guaranteed price of 3s. 6d. per bushel at seaboard (equivalent to about 2s. 10d. at country siding), or a payment to growers calculated on the difference between that price and the actual price, if lower. This variable bounty payment would cost the State some £ 4,000,000 with a price of 3 s. at seaboard.

The Wheat Acquisition Act was also passed in December 1933. It was intended to guarantee a selling outlet to growers for the 1933-34 crop in the event of buyers' operations being restricted through the

International Wheat Agreement, by which the Australian wheat export for year ending 31st July 1934 was limited to 105,000,000 bushels. The Federal Government undertook in that event to buy unexportable surplus.

In January, 1934, the Federal Royal Commission on the Wheat Industry in the Commonwealth was appointed to enquire into and report on the economic position of the industries of growing, handling and marketing wheat, manufacturing flour and other commodities from wheat, and the problem of manufacturing, distributing and selling generally. The Commission pronounced in favour of the proposals for a guaranteed price for wheat at seaboard as already outlined : in other words for a bounty payment to growers in 1934.

The sum of £ 4,000,000 was allocated by the Commonwealth Government for relief as recommended by the Royal Commission. The Royal Commission on wheat, flour and bread industries recommended that the Government should provide £ 4,000,000 as financial assistance to the wheat grower. Out of this amount money should be made available to each state to the extent it may be necessary for a bounty of 3d per bushel to be paid on marketable wheat produced in the state for 1934-35 harvest. Secondly that an additional sum should be made available for payment to the wheat growers who had sown wheat for

grain during the autumn and winter of 1934 of a sum estimated to be 3sh. per acre. The balance should be applied for relief of wheat growers who experienced specially adverse farming conditions during the year.

The result of the above measures was that the average price for the commercial season August 1934—July 1935 was 26sh. as compared with 23sh. 4d. in the previous season and 25sh. 7d. in 1932-33.

Currency

In December 1931 the United Kingdom abandoned the gold standard, the Commonwealth Bank Board, reduced the Australian rate of exchange on London, fixed in January 1931 at £130 for £100 sterling to £125.

The readers need not be surprised that in Australia, the colony of English people, the currency was depreciated while the Government of England were shrewd enough to peg the rupee with the pound so that no relief of any kind may be available by the depreciation of currency of India to the poor tillers of the soil. The Government of India always tries to exhibit a keen interest in the rural uplift and help of the masses, but when the real time of help comes they quietly leave the effective methods and play in the hands of the Government of United Kingdom to prove that the Indian Government stands more for the benefit of England than of India.

Credit

A sum of £ 2,500,000 was alloted as a loan to the States for the assistance of necessitous growers. The system followed in Victoria is to bring the property of any farmer unable to satisfy his creditors under the control of a Farmers' Relief Board, and to make a first charge on the income for sustenance.

In Tasmania, the Rural Credits Section of the Agricultural Bank makes advances, under the State Advances Act of 1928, of short-dated loans for the purchase of machinery, stock, plants, manures, etc., at the discretion of the Board of Management of the Bank and on approved security.

Such loans are for a maximum period of 10 years, the actual period and method of repayment to be fixed by the Board, and the rate of interest is 6 per cent. A special feature which has proved of great advantage to farmers relates to the loans for purchase of dairy stock. These are repayable over a period of three years by monthly instalments paid during the milling season, of each year, say eight months in each year, the instalments being equated to include interest and a portion of the principal. These amounts are not paid directly by the farmers but are deducted out of the proceeds of the sale of cream and paid direct from the butter factory to the credit of the applicant's account at the Agricultural Bank, the loans having taken the form of overdraft accommodation through

the branches of the Bank. Advances for the purchase of potato seed and manures are repayable out of the proceeds of the year's crop.

Unemployment

Under the Unemployed (Assistance to Primary Producers) Relief Act of 1930, the Commonwealth Bank may grant loans to farmers, interest-free, on the condition that the farmer will undertake to engage *bonafide* unemployed men in effecting permanent improvements to his holding. A percentage of the loans may be granted for purchase of the materials required for such improvements. The social advantages of this scheme are obvious. These loans are repayable over 11 years, by twenty half-yearly instalments, no payment being required for the first 18 months. In India we have never tackled the problem of the improvement of land. If properly handled it can considerably increase the agricultural production and at the same time can provide employment to many people.

Land Tax

A provision is made for a reduction, long demanded, of one-third in the land tax levy for the fiscal year beginning from 1st July 1932. Entire release from payment is admitted in certain specified cases where insistence would entail serious hardship,

such as where drought or other adverse seasonal conditions have greatly reduced the tax-payer's income, or where, owing to the low prices of farm products, the income derived during the year is less than the land tax assessed for that year. Relief is also granted in cases of bankruptcy or insolvency of farmers or pastoralists.

Wool

On account of the low prices of wool in August 1932 a serious situation arose. A Wool Enquiry Committee was appointed. The report of this Committee of Inquiry was published late in November 1932. The evidence was taken from all the States of the Commonwealth and covered 668 properties carrying 8,000,000 sheep. It was shown that the average typical cost of representative wool growers under good season conditions amounted to 9½d. per lb. of wool, including railway freight and brokers' charges, but not including interest charges.

The recommendations included: the reduction, or abolition of the Federal land tax on wool producing properties, reduction of railway freights for stock of wool and of handling and selling charges, lowering of interest rates on capital lent to the wool-growing industry.

Very shortly after the issue of this report a reduction was actually made under the Commonwealth Financial Relief Act of December 1932 of one

third in the land tax levy, from 1st July 1932. Reduction in railway freights is a matter for the State Governments, and reductions had already been effected by Western Australia to the extent of 30 per cent., an example followed by New South Wales in April 1933 to the extent of 10 per cent on wool freights, and somewhat later by Victoria in a 25 per cent reduction on live stock freight.

Dairying

The position of the dairying industry, owing to the low price of butter on the London market, led to the proposal early in 1933, initiated by the industry but later obtaining some measure of Government support, to set up an all-Australian organization with full statutory powers, to take the place of the voluntary Australian Butter Stabilization Scheme introduced in 1926.

In respect of the dairying industry, the proposals discussed in 1933 for enforcement of export quotas by an all-Australian organization with full statutory powers resulted at the end of the year in legislation passed in December by the State Parliament of Victoria, Queensland, New South Wales and Tasmania.

The Federal Dairy Produce Control Act got the assent on the 14th December 1933. These laws came into effect by proclamation on 1st May 1934. By the State laws, a Dairy Products Board was

constituted in each State, nominated by the Minister of Agriculture, and representing the proprietary and co-operative butter and cheese factories and producers' unions or associations. The Minister after consultation with the Board determined from time to time the proportion of the butter or of the cheese manufactured by a manufacturer, which he was permitted to sell in the course of his inter-state trade or trade within the State. The export quota was thus, as it were, indirectly imposed on manufacturers, *i.e.*, on persons who have manufactured and sold during year ended 31st December 1933 at least 500 lb. of butter or cheese, or both taken together. Interstate trading is prohibited by the Federal law except under licence, anually granted only on conditions as to export of some of the products. The intention of the legislation is that each manufacturer should bear a fair share of the lower returns coming from the low overseas parity. The selling price in Australia on the other hand is fixed, as it was under the voluntary Butter Stabilization Scheme, by the dairy industry in voluntary organization. The equalization plan is administered by the Commonwealth Dairy Produce Equalization, Ltd., which came into existen e on 1st May under the Federal Act. This body at once declared the wholesale price of choicest butter in Australia at 140sh. per cwt., an increase on the prices then prevailing in the capital cities. The price was to be modified from time to time by agreement, and cheese was

also to be included under the equalization plan. In order to check any attempts to sell within the State more than the quota fixed by the State Board, with a view to profiting by the higher Australian price, the penalty for so doing was fixed very high, *i.e.*, at £500.

Conclusions

It is regrettable that few people have realized the true position and the correct extent of the continuously deteriorating condition of the peasant in India. There is a general talk in the country and in the press for the amelioration of the conditions of the peasantry, but it goes without saying, that, for one reason or the other no appreciable efforts have so far been made to survey the situation in its full scope. It is high time now both for the people and for the Government to realize that the present policy cannot go on for any length of time. The case of the peasant of India is not a case of a patient suffering from an ordinary ailment, though chronic ; but it is a case of a sinking patient who requires an immediate stimulant to retain his life so that the right kind of medicine may be availed of. We are constrained to state that the measures so far adopted for the betterment of the condition of the peasants have not been of the right type and we are afraid that if the relief measures of the real kind are further delayed we may find ourselves in the midst of a very big conflagration which may sweep clean the present structure of society.

We do not want to rake up old controversies of the income per head of the farmer and the like,

but we desire to lay before our readers some of the facts admitted by the official world, and leave them to realize the difficulties under which the poor man is labouring today.

Trade review for the year 1934-35 has compared the total income of the cultivator for the year 1933-34 with that of the year 1928-29. The following is the table giving in detail the income in 1928-29 compared with the income of 1933-34

Value of total production of the principal crops in each province in 1928-29 and 1933-34.

Provinces.	1928-29 value in lakhs of rupees.	1933-34 value in lakhs of rupees.	Change in value in lakhs of rupees.	Percentage decrease from 1928-29.
Madras ..	1,80,78	83.17	—97,61	—54·0
Bombay ...	1,20,52	60,52	—60,00	—49·8
Bengal ..	2,32,59	95,56	—1,37,00	—58·9
U. P. ..	1,40,52	85,65	—54,87	—39·0
Punjab ..	76,78	40,11	—36,67	—47·8
Burma ..	63,38	23,26	—40,12	—63·3
Bihar and Orissa.	1,37,86	55,34	—82,52	—59·9
Central Provinces and Berar.	68,77	30,33	—38,44	—55·9
Total ..	10,21,20	4,73,94	—5,47,26	—53·6

It is clear from the above table that the total income of the cultivator for the whole of the British India was Rs. 1,021,20 lakhs but it decreased to Rs. 47,394 lakhs a reduction by 53·6 per cent

i. e., more than half during a period of five years. Is it not an alarming indication of the deteriorating condition of the peasant of India that the already low income should still be reduced by more than 50 per cent? While considering the table quoted above it may be borne in mind that the expenses incurred by the cultivator in producing these crops are not deducted in the above calculation. It is the gross income of the cultivator out of which the expenses have to be further deducted. Leaving them alone and taking the total agricultural population to be only 20 crores the income of a cultivator comes to less than Rs. 2/- a month. Out of this income he has to pay revenue charges which amount to about Rs. 1/8/- per head and irrigation charges amounting to not less than annas eight a year. Over and above this the poor man with an income of Rs. 2/- a month has still to pay interest on debt which has been estimated to be about 900 crores. This amount must have enormously increased from the time the Central Banking Enquiry Committee published their report. Taking an average interest to be only Rs. 12/- per cent per annum the interest charges come to more than 100 crores a year. All these items take away about Rs. 7/- a year out of Rs. 24/- and leave an income of Rs. 1/8/- a month per head or 9 pies per day. All talks of rural uplift or of improving the dairy cattle or the drought cattle or any other method for the uplift of the poor seem

to be a mere eyewash when we look at the reduction in the income of the poor man brought about by the reduction in the prices of the agricultural produce for which he is in no way responsible. When the masses of the country are living a life of hopeless poverty the small measures adopted mean nothing. They are simply deceptive. The basic need is to provide enough for the cultivator to keep his body and soul together. The only remedy, therefore, is to increase the per head income of the cultivator by increasing the price of his produce. We want to impress that the measures so far taken in hand may prove of some good at normal times, but in these extraordinary times of depression small measures will not do. For abnormal times abnormal remedies are required. Serious ailments require quick and effective remedies. The cleaning of villages, the supply of medicine or the propaganda for the uplift or better farming is not the remedy. The real remedy lies in making serious efforts to raise the income by increasing the price of commodities and to stop the expenditure that the poor man has perforce to incur. Our main excuse for presenting these pages to the readers is that we may be able to apprize them of the measures devised and adopted by the Governments of foreign countries to fight the depression and to give a living wage to the farmer. If such drastic measures, as we have described, were considered necessary in industrial countries much more drastic measures should

be introduced to relieve the situation in an unfortunate country where more than 70% population are forced to live on agriculture and have no other subsidiary occupation to supplement their income.

Though we have already described in detail the methods adopted in foreign countries and have also made some comments upon them yet we feel we should recapitulate some of the important measures with some criticism as regards India so that the readers may better be able to give their thorough consideration upon them.

We are aware that this will amount to a repetition in a way but that cannot be helped when the future of such a large and important section of the population is at stake. The readers will kindly excuse us for this.

The following are the heads under which important measures have been adopted in foreign countries either to increase the income or decrease the expenditure of the farmer :—

(1) Currency and exchange.

(2) Regulation of foreign trade :

(*a*) Protection and tariff.

(*b*) Quota system.

(*c*) Export market.

(3) Minimum price of Agricultural produce.

(4) Regulation and control of internal market.

(5) National marks.
(6) Marketing schemes.
(7) Indebtedness and credit.

(1) Currency and Exchange

Most of the countries, during the present depression have depreciated their currency either directly or indirectly *i. e.*, by giving up the gold standard or . by lowering down their exchange ratio. The wealthiest country in the world *i. e.*, United States of America could not help giving up the gold standard in order to fight the depression. United Kingdom, inspite of all its boastings has been forced to give up the gold standard to depreciate the sterling. Australia lowered down their exchange ratio. Germany has lowered down the value of mark for certain purposes *i.e.*, travellers and export. Danish Government, which mainly depends upon the export market lowered the exchange ratio. Japan is accused of selling the goods at the cheapest rates by depreciating its currency. Japan has also put an embargo on gold and has thus brought about a rise in prices. It is perhaps the first country whose trade has developed wonderfully well during this depression and which has got a stronghold in every market of the world. But India, whose currency was already appreciated in the teeth of opposition and whose people were vehemently agitating against artificially raising the price of the rupee, had once more to see the evil day

when the rupee was pegged to the sterling. If Indians had their way the rupee must have been allowed to seek its own level in the currency of the world.

It is an admitted fact now that the exchange ratio and the pegging of the rupee to the sterling have hit very hard the poor agriculturist but still the author of the Trade Review (1935-36) rejoices in making the following remarks: "The rupee-sterling exchange remained steady throughout the year *sustained by the continued export of gold.* Fluctuations were few and the average rate for the year was 18$\frac{3}{32}$d. *The exports of gold during the year amounted to 4122723 fine ozs. valued at 3831 lakhs*". (The italics are ours). It is unfortunate that His Excellency the Viceroy should still try to convince the people that the present exchange is in the interest of the country.

It is very unfortunate that the poor man who has thus lost hundreds of crores by this juglary of financial figures can hardly understand this intricate policy and simply finds himself staggered by the blow behind his back. But this will all amount to a cry in the wilderness till the Government are somehow forced to change their policy by circumstances beyond their control.

The British Parliament has now made it quite impossible for the Government of India to interfere in the matter of currency and exchange. Need we,

therefore, waste our reader's time on this question however important it may be. Still there is no denying the fact that a small reform in this direction would have reduced the ills of the peasantry at large in India more than any remedy that we may conceive of. The subject, as we have said, is not only beyond the approach of the Provincial Governments but is also beyond the powers of the Government of India as constituted. But if somehow the gold export could be stopped today we are perfectly sure the appreciated currency will come down by a crash and nobody will be able to support it It is doubtful if the Provincial Governments can bring this about. But we are still of opinion that the people should put up a strenous agitation against the export of gold, and the sooner the peasantry forces the hands of the Government the sooner will their lot be bettered. A study of the financial position of Japan and how it was improved by an embargo on gold export will be an interesting reading. Japan is a country which produces gold and still an embargo to save the cultivator had to be introduced in that country. In India the balance of trade is only kept up by the export of gold which drains away our wealth for all times to come.

(2) Regulation of foreign trade

Indian foreign trade is very important factor in the economic prosperity of the country yet this is

the side most neglected by the nationals of the country. The importance of foreign trade cannot be judged by figures of imports and exports but it has far reaching effects on the economic life and mode of living of the people. Foreign imports effect considerably our industries and they in turn effect the prices of raw material.

The imports consist generally of finished goods and the exports consists of raw material. It only means that though we are rich in raw material yet we do not use the raw material in the manufacture of finished goods and are always at the mercy of the foreign manufacturers. The business which we call trade in India consists of hardly anything except the agency for selling foreign goods in our markets. If you still further analyse it, it amounts to this that most of our merchants take interest in finding out ways and means by which they can exploit their own country for the good of the foreign manufacturer. We saw an exhibition of the above reality in Japan when we found that practically all the Indians were trying their utmost to give their experience and knowledge to the Japanese exporter so that he may manufacture articles in accordance with the taste of Indians so that they may be able to exploit the country better. Educated people argue that the imported articles cannot be helped as the rulers of the country are foreigners who are interested in the sale of their own goods. But

what do the readers say about the import of goods from countries other than United Kingdom and how the merchants justify themselves in exploiting their country for the good of another country even in articles produced in our own country.

If we investigate the details of foreign trade we at once find that not only the country suffers by foreign trade but at the same time, it is a pity to know that the share of Indians in foreign trade is the least possible and the cream of business goes to the foreign merchants in India or outside. All banks doing foreign business are controlled by foreigners and are capitalized by foreign money; all shipping companies are foreign and consequently we get hardly any advantage in banking or freight. Our exports are judged by the parity of other countries and our imports are paid for as dictated by the foreign manufacturers. Is it not a matter of shame and disgrace for a big country like India with such a huge foreign trade not to have even one bank in foreign countries and not a single shipping concern exporting and importing the goods from and to India! Can't all the capitalists and merchants combine to start such concerns?

It is true that Government is not only unsympathetic but is entirely opposed to these ventures. They can with equanimity see foreign Banks and

shipping companies of every other foreign country established but cannot give their active support in establishing Indian banks in foreign countries. Indian Banks are thus forced to work as money-lenders and are turned in course of time into concerns of frozen capital. Without Indian shipping the nationals of the country are deprived of opportunities of learning the art of navigation—an art perhaps in which Indians were, a few centuries back, the pioneers, let alone the difficulties experienced by the Indian tourists on foreign ships. Fruits and vegetables which could, with advantage, be exported te foreign countries are allowed to rot for want of facilities in export. We should no more stop at abusing the Government but should take to practical steps. The old complaint that the Government do not do this or that should not disappoint us any more. Let us once for all admit that the foreign Government—call it an Indian Government—if you can not help it—will not help us in establishing these two important institutions, shall we then not throw our entire weight on the establishment of these institutions? At a time when India claims popular ministries in seven provinces and two of them are the provinces which are the seats of important seaports, we mean Madras and Bombay and one of these *i. e.*, Bombay is a province where the merchant class is dominated by Indians is it too much to expect that one institution of each type may be established?

Let all the other provinces give their quota of help in this venture full of risks. We appeal, with all the force at our command that both these institutions should be established immediately and they will support our export trade considerably and will be helpful in raising the prices of agricultural commodities.

Readers can legitimately ask can we establish these institutions inspite of the Government opposition ? Our emphatic answer is yes ; not only inspite of the Government but even against the wishes of the Government, provided the country is ready for the sacrifice needed for the establishment of such big institutions. We assert that people are more powerful than the Governments, no matter, if the latter are equipped with the most uptodate implements of destruction. Let us once realize this hard and naked truth and let us take a decision and there will be no power in the world which will stem aside the tide of 35 crores of people. We feel Bombay should give a lead in the matter and the popular Ministry establish both these institutions. How and where, are matters of details which cannot be discussed here.

Force of purchasing power

Every decision, be that of the Government or that of the people has to be backed by a force strong enough to fight the opposing forces. Readers

can legitimately ask is there any strong force by which the Indians can back their resolutions ? To this query we reply in the affirmative. The purchasing power of the country, to our mind, is the greatest force with which we can back the establishment of these institutions. We are sorry to say that we have not sufficiently mobilized this important force though its small exhibition in the shape of boycot has several times proved its efficacy. We do not want to kill the trade of any country rather we believe in the principle of live and let live. We have certainly a right to retaliate against those countries which kill our institutions and enterprises by rate war or such other like measures. The most difficult thing perhaps will be the establishment of a shipping concern as such a firm will be opposed by all the foreign interests combined. But if we once combine they will not have the courage to go against us. From the recent debate in the Council of State on Coastal Traffic we know that the Government of India will not be sympathetic but we are sure they cannot afford to be antagonistic to our aspirations after they are once convinced that we are combined and united and we mean what we say. Let there be a country-wide agitation for the establishment of these two institutions for six months so that everybody in the country be convinced of the importance of these institutions and be willing for a sacrifice when the time comes. Then let there be a country wide sale

for the shares of these companies. Everybody in the country should be asked to contribute his share to these concerns. This will necessitate wide publicity which will result in general support. Let this take another three months. When this is done let there be a conference of the Indians on one side and the foreign interests on the other. The latter must be clearly told that if they enter into rate cutting they will be responsible for the consequences. After such a clear and frank talk there may not likely be any difficulty but if there be any it will be overcome in no time and the foreign companies killing us will be made to feel the reaction very soon. If the rate war is avoided we have only to pay the price of our inexperience. We can easily import foreign experts and can get our men trained in foreign countries. If once this is done without the help of the Indian Government or against their wishes we are pretty sure the success achieved will strengthen our people much more than if the Indian Government would have directly helped us. Such an encouragement will be a further step in our fight for Swarajya.

We have full faith in the strength of our purchasing power but today unfortunately we have not been able to marshal our strength properly. Organization to mobilize the forces of purchasing power should immediately begin and committees should be established in every district to bring about succes. These committees must consist of politicians, merchants

and consumers. They should try to educate public opinion and their work should be to advise people as to what should people buy and what should they not buy. These committees should advise the Government to give protection to Indian Industries, they should advise consumers against the purchase of articles manufactured by different firms. If once these committees become popular and control the consumers the central committee of these committees can prove a strong force to develop our industries, to obtain measures of protection and they can also bargain with the other countries and they can also advise as to what the country wants to be manufactured. Then the Industrialization of the country will be an easy task and we shall be able to proceed on sound lines. Before we attain complete freedom let us try to attain economic freedom and we are sure the strength achieved by this will be the foundation stone for our political freedom.

The only danger for this sort of organization will be from the Indian factory owners who exploit the country in the name of Swadeshi but themselves or in their own factories do not patronise Swadeshi articles or those who deal in foreign trade. To the former we shall have to tell frankly that Indians can no more be exploited for their sake unless and until they promise to support Indian Industries and become Swadeshi themselves through and through, else we

shall have no alternative but to force the public opinion against them. As for the merchants in foreign trade they can be of very great use in bargaining with other countries and we do not know why should they entertain any suspicion against such organization. If the merchants in foreign trade remain in touch with the committees they may gain more than lose.

India is a place where every country has a right to dump its goods and exploit the country to its advantage, notwithstanding the stringent measures that that country might be taking against us in its own turn. There are a number of colonies in which Indians are living by thousands, and every year we hear of one unjust measure or another taken against them and though we feel the humiliation yet our sympathy is exhausted by putting a few questions in the Assembly, by waiting a deputation on the Viceroy or by moving an adjournment motion which may invariably be disallowed. If we had orgainzed an all-India Central Committee on the lines stated above either we would have been heard else our retaliative measure of stopping the sale of articles manufactured by that country would have been moved and would have brought the other country to its knees.

Irrespective of the above proposal our imports should in no way jeopardise our own industries. People in India are being convinced by a propaganda deliberately made that capital in India is shy and

therefore Indian Industries do not develop. But we are now convinced that it is entirely wrong to say that capital is shy in India. The very fact that without any difficulty crores of Rupees were invested in Sugar factories within a few years is a clear proof of the fact that money is not scarce or shy in India but the necessary atmosphere for investment is neither created nor is allowed to exist. An infant industry backed with whatever amount of money does require some sort of protection till the necessary technical details are mastered and the preliminaries are overcome. If Indians patronize Indian goods and the factory owners do not want to make huge profits many a new industries can easily be developed and most of the unemployed people can be absorbed and pressure on land can be relieved. Much better prices, without entreating the foreign countries can be obtained for the raw material produced by the cultivator and the farmers' prosperity can once more be restored.

It is not the place to discuss the Industrial possibilities of the country but one can legitimately ask the use of the Agricultural Department and the Agricultural Research Council when the value of provision and store imported in India amounts to more than 3 crores every year ? Do these institutions claim introduction of any new crop in the country by which any imports are so far stopped ? Is it not a disgrace

for them to see that potatoes, pepper, onions, apples and other fruits and vegetables are being imported into India and their daily consumption is increasing? Imports should not be allowed to go on unhampered in the country but measures should be adopted to control them. This introduces us to the policy of protection, tariffs and the quota system which we propose to discuss now.

(*a*) Protection and Tariff

In the foregoing pages readers must have seen that there is not a single country which has not tried to protect its internal market either by total prohibition or by raising effective tariff walls. Nobody can deny the principle that every country has the primary right over its own markets. If any other country either by raising the price of the internal market lowers the prices in the export market, dumps its goods or by granting a bounty or subsidy sells the article at a lower rate, the country of import has every right to prevent the import of goods by raising tariff walls or by prohibiting the import altogether. Even where a country has a special advantage of climate, fertility of soil or extensive cheap land, it should have no right to make inroads into the markets of other countries. These are the well recognized principles on which every country has acted. United Kingdom which has always been an advocate of free trade has now taken recourse to protec-

tion. It has raised the tariff walls to the extent of 50% *advalorem* on some of the imported articles. United Kingdom in order to safeguard the interests of their own growers has paid large sums of subsidies to the producers of their own country. Similarly other countries have altogether prohibited the imports of certain commodities or have raised the tariff walls so high that the article can no more be economically exported to their country. It is a pity that in India all sorts of political dangers are arrayed against these measures and it is only in very few cases that the protection is given. Sugar has been perhaps the only exception where an effective protection is granted though the Government seems to be making all the efforts to nullify the good effect by increasing the excise duty on the same and thus forcing the cultivator to sell his cane cheap.

A little protection was given to wheat but it was reduced last year inspite of the vehement opposition of the Punjab Legislative Council. The following self-contradictory remark of the author of the Trade Review for India for the year 1935-36 will be of special interest to the readers. The author remarks: "Imports of wheat into India in 1935-36 amounted to nearly 13100 tons as against 7400 tons in 1934-35. Almost the entire quantity was received into Bombay and the bulk of these imports were made for milling for re-export out of India under claims of drawback. During

the year under review the duty on imports of wheat and wheat flour was Rs. 1/8/- per cwt. In view of the improved level of world prices, the duty was reduced to Re. 1/- per cwt with effect from 9th April 1936." One really fails to understand how the Government could justify their action in the face of the fact that India imported about double the quantity of wheat inspite of a duty of Re. 1/8/- per cwt. It must be remembered that in 1931 there was a non-protective duty on wheat to the extent of Rs. 2 per cwt. and duty on wheat-flour was 2 Rs. 8 as. a cwt. But one need not be surprised when one finds the following remark under Australia in the same report: "Imports of wheat increased from 7000 tons valued at 5½ lakhs to 13000 tons valued at 9½ lakhs." After all, the Indian Government must have a softer corner for Australia than for India. Blood is always thicker than water. The Marketing Adviser to Government of India makes an apt remark on this point. He writes in "The Marketing of Wheat" as follows:—"The current trade (in wheat-flour) is very small and consists of Australian flour landed principally at Bombay. *Lately there have been signs of increased imports of Australian flour into Burma, due possibly to the lowering of the duty from Re. 1/8 to Re. 1 per cwt.*, but the quantity are still comparatively insignificant". (The italics are ours). The above needs no comment only we want to change the word "possibly" to "positively".

During the years of depression the imports of articles in which the agriculturist is directly or indirectly interested have gone up rather than gone down which clearly shows that the Governm nt has not done its duty by the people. We quote the following figures from the Trade Review again :—

Name of article	Year 33-34	34-35	35-36
Provision and oil mans' store.	27156	28906	31187
Grain pulse and flour	8370	26645	16240
Fruits and vegetables	10014	12999	13341
Flax raw and manufactured.	1664	1758	1793
Jute and jute goods	985	862	1080

(The above figures are in thousands of rupees.)

Let us read the interesting criticism made by the author under the heading "Provisions". In the following quotation we have only given relevant extract.

"Imports under this head advanced by Rs. 23 lakhs to 312 lakhs in the year under review. All the important items show increase. Imports of biscuits and cakes increased from 48200 cwts. to 54700 cwts, the recorded value of the imports increasing from 33⅓ lakhs to nearly Rs. 36 lakhs. Receipts from the United Kingdom alone accounted for Rs. 30 lakhs.

The total imports of canned and bottled provisions were valued at 65 lakhs as compared with 59 lakhs in 1934-35."

" Imports of vegetable products (vegetable ghi) were valued at 1⅔ lakhs in the year under review". "There were larger imports of milk foods for infants and invalids and other patent foods, the former increasing from 9200 cwts. valued at 13⅔ lakhs to 10400 cwts. valued at 16½ lakhs and the latter from 42800 cwts. valued at 28½ lakhs to 45400 cwts. valued at 30⅓ lakhs. *In both cases supplies were derived mostly from the United Kingdom.* Imports of milk food from that source amounted in value to 14 lakhs and those of other patent foods to 24 lakhs." "A large improvement was recorded in the imports of condensed and preserved milk, receipts amounting to 209200 cwts. valued at 54 lakhs as against 181000 cwts. valued at 48 lakhs in the preceding year. Supplies were derived chiefly from the the United Kingdom (29 lakhs), Netherlands (17 lakhs), Denmark (2 lakhs), and Australia (1 lakh)". "There was also an improvement in the imports of Jams and Jellies which totalled 20000 cwts. valued at Rs. 7 lakhs as against 17500 cwts. valued at 6½ lakhs in 1934-35. Imports of confectionary, mainly from United Kingdom, improved from 18 lakhs to 21¼ lakhs. Imports of pickles, chutnies and sauces, supplied mainly by the United Kingdom improved from 9600 cwts to 10800

cwts. the recorded value being over 7 lakhs as against 16000 cwts. in the preceding year, the value of imports improving from 11½ lakhs to 12⅓ lakhs and those from Denmark at Rs. 2 lakhs. There was also an increase in the imports of butter, the consignments received during the year totalling 7700 cwts. valued at 7 lakhs as against 6310 cwts. valued at Rs. 6 lakhs in the preceding year." (Italics are ours.)

As to why this state of affairs is allowed to prevail will be clear from the following sentence taken from the Trade Review: "The share of the United Kingdom in the total imports of provisions and stores improved from Rs. 121 lakhs to Rs. 178 lakhs and she accounted for 57·2 per cent of trade."

Who can deny that, if properly encouraged, Indian producer can, not only supply these articles for his own needs, but can also supply the world to mutual advantage. Can't India with a paraphernalia of costly, so called, experts produce sufficient pepper, onions, potatoes and apples and stand in need of importing them from foreign countries ? Can't the agricultural experts, instead of wastiug money over doubtful methods of rural uplift, put into the pockets of the farmers the money that goes out of the country today in the purchase of provision and stores ?

In these days of depression we expected in vain that the agricultural experts will give relief to the

starving farmer and will be a source of help and encouragement in the time of need. But these highly-placed and paid officers must first finish the surveys and wait for the systematic approach of the question, and let the man starve in the meantime.

Inspite of doing nothing worth the name the Finance Member of the Government of India mourned on September 3, 1937 the destruction of custom revenue by high protection, though the readers know full well that very seldom the Government of India has ever come to the rescue of Indian Industries. A Government, which relies on Import duties for their revenues, can never be said to be working for the benefit of the country it governs. After all the protection of industries must be a concern more important than the revenue of the Government and the income from custom duties should not come in our way to protect our industries.

2. (*b*) Quota system

It is a very good method devised by most of the countries of fixing the imports of different articles by amicable settlement. We have our trade commissioners in different countries and we pay very heavily for them yet one fails to understand as to why this method has not been adopted for India though United Kingdom has long been taking advantage of it. There are only two instances known to us in which this quota system has been availed of

in this country. One is the notorious case of Ottawa Pact in which Government selected their own men to represent India and saddled it with terms injurious to the country. Inspite of the fact that it is being condemned vehemently by the commercial public and its harmful nature has been exposed in the Central Legislature the Government is still clinging to it though they promised to abrogate it. Second instance is the negotiations with Japan. In both these negotiations, as far as we are aware, there was nobody worth the name to represent the interests of the agriculturists and all the negotiations were carried on by the persons who are interested in exploiting the farmer. If the Government had the grower's interest at heart, cotton and jute crops either would have been curtailed on the same basis as in United States of America or the scientist would have found new uses for both these articles as Italy found out a new fibre from hemp and United States of America prepared wool from jute. The only remedy remains open to the farmer under the circumstances is to bargain on the most favourable terms and if any country does not agree with the proposal to create an agitation in the country to stop the imports of its goods entirely. It is a pity that the farmers have not been organized to understand the strength of their purchasing power howsoever depreciated it might have become today. Countries which are now exploit-

ing our resources can be made to bargain on the basis of mutual benefit and if they do not agree we can prohibit the sale of their articles in our market. We know apparently it is not in the interest of the United Kingdom to encourage such an agitation but if the people of United Kingdom go into the question, rather minutely, we assure them that this very agitation can be utilized by England for their own interest provided they take a long view of things and decide everything not in the spirit of exploitation but that of live and let live.

2 (c) Export market

Though we export goods worth 216 crores a year yet no attempt has been made to organize the export trade. Everywhere we see dishonesty, disorganization and unscruplousness. Some of the countries, which feel that Indian imports of raw material are absolutely necessary to keep their industries going, have established their own houses to purchase goods directly from the producers and export them directly to their country. This has deprived the Indians from the middleman's profit and has further deprived them from obtaining the necessary experience of the export trade. The Government of the country has not yet realized that the export of articles from one country to another is based on reputation for the goods exported and consequently anybody and everybody

should not be allowed to export. In Denmark the exporting firm that sends out a bad article is punished. In most of the countries the articles are standardized and graded before they are allowed to be exported. Italy and United States of America have developed their fruit and vegetable trade only because they spared no pains in regulating their export trade. Indian articles are notorously bad in the internal market and Indian agricultural produce are only purchased by foreign manufactures when that article cannot be obtained from elsewhere at a comparative price. Most of the varieties of agricultural produce are quite unknown in the foreign market. Can there be anything more disgraceful for any Government to quote in their Trade Review : "wheat with 2% barley and 1½% dirt ?" Never an attempt has been made to organize our export market. We were hopeful when the Government of India appointed a marketing officer but he seems to be still busy in making survey of different agricultural produce. Perhaps the time of organizing the export market will come when the foreign market will be closed for us and we shall be getting bread and Dal also from the foreign countries. We assure him that the malpractices in our markets which he has discovered are very well known to us and we assure him that we know many more of these practices than he has been able to discover. We want him to take a practical step in the organization of

export trade or in the organization of internal market. We do not want to be lulled to sleep under the false hope that now the marketing officer is appointed and our ills are over. India demands a speedy and quick remedy and the Government of India, if it cares to move at all, should move with a quicker pace. It is no use deferring the decisions on the plea that one is a provincial subject or that public opinion has to be educated etc. etc. If the Government mean business let them send for all the representatives of the Provincial Governments and let them all agree to make laws on all these matters at an early date. Problems ought not to be multiplied in order to defer the decision. Adulteration has to be dealt a final and effective blow and at once. No country can purchase Indian raw material unless proper grading and standardizing is done and quality is guaranteed. If that cannot be brought about or if the Gorvenment does not care to bring that about let it clearly say so. No more shilly shallying over this matter. We are perfectly convinced that we can in no way increase the income of the cultivator without remedying the evils of our markets and anybody who connives at the present state of affairs is the worst enemy of Rural India. From the perusal of the previous pages the readers must have been convinced that as long as the markets of India do not improve the cultivator, is simply doomed. Talk of rural uplift,

agricultural improvement and better farming are simply the cries that deceive everybody but in no way help the poor agriculturist. Markets will have to be improved, adulteration will have to be stopped and gradation and standardization will have to be introduced if we want to see the farmers thriving. There is no other and better way to help him.

The export market is a sort of advertisement of the honesty and fair deal of a country's nationals and nobody should be allowed to spoil the name of the country and thus bring about ruin to honest people in trade. Let nobody be allowed to dabble in foreign trade without a license and let there be substantial punishments provided for exporting goods which are below standard. The place for every dishonest merchant is Jail much more so of an exporter who brings about shame and disgrace to the whole country. Let us again create confidence in the foreign countries about our goods so that the price of agricultural produce may rise and the farmer may get a living wage. Let us form an Institute or a Board for the export market whose aim should be to study the requirements of the foreign market and to produce goods suitable for different markets. We are perfectly sure that still there are a number of things which we can produce and which can be easily introdueed in the foreign market but the commercial possibilities of these articles have never been investigated.

We can say without fear of contradiction that Indian Banana is the best in the world and thousands of acres can be placed under it if the export market be developed on right lines but United Kingdom itself does not import Indian Banana not to say of other countries. We grow the best oranges, apples and pears but instead of exporting these fruits we import them from foreign countries. The governments are busy in establishing Fruit Development Boards perhaps to see more fruits rot in the country and will not care to organize marketing and export so that the fruits move and turn into cash. Many new crops in medicines, herbs and insecticides can be developed and their export and internal consumption can bring prosperity to many starving mouths.

We have seen in the previous pages how the formation of Export Institutes in other countries have helped in finding out a suitable market in foreign countries. We can certainly establish such institutions quite easily, provided, we are not taken away by the squabble whether such an institute be established by Government of India (which owes no responsibility to the people of the country) or by the Provincial Governments who have no authority over exports.

(3) Minimum price of Agricultural Produce

India "is said to be an agricultural country and farming has got to be maintained for the life of the

nation and the prosperity of the country. This will only be possible if the cultivator gets a suitable return for his labour. Nobody can expect that the tiller of the soil must go on producing without a proper return. The prices of articles that he produces have fallen by 53% during the last three years. The drop may be still lower if the prices be compared with the pre-war level. The cost of cultivation or the cost of living of the farmer has not gone down. His taxes mostly remain on the old basis and have to be paid in cash. The Indian agricultural experts know full well that most of the crops do not pay at all and even the cost of cultivation is not realized by the producer, let alone his labour. In other countries investigations have been made as to the cost of cultivation and the amount realized by the cultivator by producing different crops but no such systematic investigations have been attempted to be made here as the results are well known already. Some work on sugar cane and cotton is being done though with a different purpose. We are not for the costly establishment of such surveys now, as this will mean another pretext to shelve the issue. We are confident that the best agricultural expert will be baffled in preparing a family budget of an Indian farmer who has not only to see that the different crops that he grows pay him a little profit but he has also further to find out the ways and means by which he can maintain his family on a small holding.

We have gone into this question many a time and have discussed it with qualified and intellegent farmers but we have never found any other method of help to him except that of raising the prices of different crops. It is true that by raising the price of crops the cost of living of everybody will go up but certainly that will mean a better distribution of wealth. If you give more to the farmer his purchasing power is raised and this results in a better flow of wealth in the country. The secret of prosperity of a nation consists in the fluidity of capital amongst its individuals.

You close down your factory when it does not pay, you close your shop if it becomes unprofitable to continue it, but unfortunately, the poor farmer cannot do so and if he does so he does it not only to ruin himself but to ruin the whole country. If he once refuses to work you will have to face a three-fourth population of the unemployed. Nobody then will be safe in society and no army in the world wlll be able to keep the society in order. All your stocks of food and clothing will be exhausted in a short period and your vast amount of wealth will not suffice to fill your belly. It is the poor and starving man who keeps you supplied with all these luxuries. Therefore for God's sake do not be cruel and unjust to him and give him a living wage. It is all very well to say that if farming

does not pay let him stop his profession and take to any other thing. You do not realize what you say and what will the consequences be if once your advice is taken to heart by the cultivator. Remember that the cultivator grows the crop firstly because be can do nothing else and secondly because he always hopes for the better next season.

You forget that out of the produce more than half is consumed by the farmer himself and it is very little for which you will have to pay more. By paying more you make the society happy and put a new life and incentive amongst the masses to work. For God's sake do not be too selfish else your selfishness will recoil upon you.

If your cotton factories do not pay you want everybody to be taxed by asking the Government to impose an import duty upon cloth. If your iron factories do not pay you approach the Legislature for protection. Why not then apply the same argument in farmers' case as well. Why do not you argue if your factories do not pay close down and take to something else.

If you do not agree to raise the price of his produce let the old order be reverted to and let everybody be in the same boat. Let the salaries of the officials be cut down by 53 %, let the rent, the revenue, the debts, the irrigation charges etc. every item be cut down to this limit and the farmer will

not be sorry to sell his produce at a low price. Do not be proud of your wealth and influence but be just to him who produces food for you and clothes your family.

A word more to the Government: Stop all your activities of rural help and rural uplift. Close down your agricultural department and do not try to blame the farmer for what you do not know yourself. It is a simple question of economics. If the price that you receive for your products are less than your cost no propaganda in the world can make you rich. Raise the income of the cultivator and he will be happy and prosperous. Every country has done it, United Kingdom itself has fixed the prices of milk, wheat, sugar and number of other articles. Why then don't you do it for staple crops here? Lectures and nice words do not satisfy a hungry man! Give him simple bread enough at least for one full meal a day. It is better to die of disease in a dirty and filthy village than die under a long and cruciating agony of starvation. If you care for him, and we know you will have to care for him, for God's sake, raise the price of his produce which has gone down without any fault of his! Do not mislead the world by saying that by taking to improved methods the cultivator could get more income than the present one. Remember that the prosperity of acres is not the prosperity of the cultivator. Introduce a farming programme on an intelligent basis, introduce new crops which pay

better and introduce method by which the cultivator may get a higher price for his produce. If you seriously consider that the entire blame lies with the farmer, for God's sake, let some of the experts show the farmer the way by living on a farm and by making it a paying proposition. Half the experts will resign today if they are asked to earn their salaries from practical farming. We wish that the agricultural department or a portion of it be made a self-supporting department so that the truth may dawn on the world and futility of the advocacy of so-called improved methods be laid bare before the public.

Besides the fixation of the minimum prices for agricultural produce we must regulate the market in such a way that the prices are never forced out of proportion very low on account of a large supply. It is a very well known fact that the prices of agricultural produce are generally depressed at the time of harvest as the whole crop has to be placed on the market by the farmer at once. The marketing officer very aptly remarks in his report of "marketing of wheat" as follows :—

"*The most outstanding and probably the most serious factor from the grower's point of view is the seasonal depression in prices at the harvest time, year by year, in some of the leading markets as the harvest reaches its height prices fall on an average by 19 per cent.* It is useless to ask the grower to hold back his

supplies until prices rise again. He must convert his crops into cash as they come along and if he does not take his wheat to market when the weather is good the difficulties of transport during the monsoon months would, in most cases, render this impossible". (Italics are ours).

Further he remarks, "It is not possible to ignore, however, the probable harmful effect on grower's prices at the harvest time of the strong and prolonged "bearish tendency of the July "future" at Karachi and the May "future" at Calcutta". If we make a law that every producer will be a member of the Cooperative Society and place the entire crop to be marketed by the Cooperative Societies a better price for their crop can easily be realized. The sale society of cooperative organization may advance money to the extent of 75% on the basis of the produce to be stocked either in the house of the farmer himself or at a central place and the crop may then gradually be marketed. The system will bring about very good prices to the farmer and at the same time the article produced can be improved in quality. The Cooperative Society so formed can guarantee the genuineness of the article and therefore can secure a much better price than the one at which the crop is sold today. The Government will be doing a real service if such a system is introduced. Forced joining of the members to the Cooperative Society is a well known method of helping the agriculturist and the Pro-

vincial Governments should not hesitate to introduce the same in their jurisdiction.

(4) Regulation and control of the internal market

Out of the total produce of an agriculturist more than 80% is consumed in the internal market. Whatever little is sent to the foreign market that too passes through the internal market. As long as the Indian markets are not improved there is no possibility for a cultivator getting a fair deal.

The fruit market report issued in Bombay clearly proves that out of Rs. 100 paid by the consumer for the price of fruits and vegetables less than Rs. 12/- go to the pocket of the producer, the rest 88% goes to the pockets of others. The "wheat marketing report" finds that "At present the cultivator in some cases gets only about Re. -/9/3 out of each rupee paid by the consumer." It means that more than 40% of the price of wheat paid by the consumer goes to the middleman. How then a producer can survive ? Will it not be the best type of uplift work for the government that this huge amount of money be saved to the cultivator by improving the sale organisation ?

Recently the marketing officer of Government of India has issued a report on wheat and it is admitted therein as to how a seller of wheat is robbed in the market. We are glad that now an official

confirmation of the malpractices already known has been made. It is high time now and the Government must stop these abuses with a strong hand. The Provincial Enquiry Committees of the Central Banking Enquiry Committee specially that of the Punjab made clear as to how the poor man suffers but nothing was ever done. Purchases are settled through brokers wherein the owner has no say in the matter, but on the other hand when the rate is declared and commodity is being weighed some trouble is raised to bring down the settled rate under one excuse or another. The owner of goods is always at the mercy of the Arhtya, who has naturally a soft corner for his fellow buyers, with whom he has to deal every day. More is weighed at the time of purchase and less weighment is given when the things are sold. Commodities are freely distributed amongst the Bazar people without payments. No storage facilities are provided in the markets and a seller if he is not willing to sell at the rate offered has either to bring the article back and pay again all the expenses of transport or has to sell at the rate offered. Perhaps it may be true that direct charges of sale are not exhorbitant but when all the exactions given above are taken into consideration the middle-man's charges which the poor farmer has to pay wlll be found to be simply exhorbitant. If we add to all these abuses the uncertainty of weights and measures in the different markets

the position becomes really exasperating. Most of the cultivators looking into these difficulties prefer to sell in their own village at a cheaper rate than to take all the trouble of taking their produce to the market. The market control requires a speedy, honest and honourable orgainzation by the Government.

It will be true to say that the farmer has not only to drag on his existence somehow but he has to pay heavily for the luxuries and amenities of urban area. The Wheat Marketing report very forcibly brings this out :—"*All Octroi duties, terminal taxes, tolls, market charges and charities paid on the wheat between the cultivator and the consumer, are inevitably forced back on to the cultivator who is willy nilly compelled to pay for the upkeep of municipal roads and other amenities of the town through octroi and simliar duties. He also pays, by way of charities, in many cases for educating the urban children and for maintaining other charitable institutions from which he himself derives no direct benefit.* He pays to everybody's interest and carries all the risks of marketing by way of a reduced price for his produce. *All those who have any control over these charges and have the interest of the cultivator at heart should use their influence in having these charges reduced or eliminated. In the absence of action of this kind expression of interest in the welfare of the cultivator may be regarded with scepticism*". (*Italics are ours*) Will

the theoretical economists now revise their opinion about the justification of octroi duty realized from the starving farmer or will they still go on suggesting that all these charges are passed on to the consumer ? Will the provincial governments now give the farmer a fair deal in this respect and force the urban people to tax themselves for their own amenities of life ? Let us wait and see.

At another place the report says, "In some places, no matter how good and clean the cultivator's wheat may be, after the bargain is completed a customary deduction (Karda) is made on account of impurities which the wheat may or may not contain". Further the same point is stressed in the report, "In fact it would appear that the amount of dirt and other impurities present in the grain as put on the market is not infrequently due to the high percentage allowed in the contracts of different trade associations *rather than to any shortcomings in the methods* of preparation by the cultivators".

There is no arrangement for a regulated market and in the days of harvest the supply is several times the demand and the prices offered are always low. If the marketing be regulated and the entire supply of the produce be not allowed to be brought in the market, by advancing loans, by providing storage facilities etc., as is done in other countries, the grower will get a very good price. Provided a begnning is

not made like Lyalpur on a costly and unpractical basis. In the case of vegetables and fruits a grower sometimes does not even get the charges of transport. There is a ring of buyers who in the beginning purchase the vegetables and fruits by auction and then they make purchases amongst themselves at higher prices. Afterwards they are retailed at very high prices to the consumer.

To add to the evils enumerated above the malpractice of adulteration has forced every honest worker out of the market. It is quite correct to say that no article of food is available pure in the Indian market. Flour, milk, milk products etc., are all adulterated. Sometimes articles injurious to health are mixed in eatables offered for sale. Old and rotten articles are stored and sold with impunity. Not only food articles are adulterated but even the drugs are so spoiled. It is absolutely wrong to say that Indians generally want to purchase cheap articles little caring for the quality. Human nature is human nature everywhere. The markets of other countries used to be as bad as are the Indian markets, if not worse, and if left to themselves, they may again become worse in a few years, even though they have now realized the advantages of being honest. But the Governments of other countries realized the importance of regulating the market for public good and they have now improved. In Germany we personally discussed the question of adulteration of milk and milk products in

different forms just to find out the methods employed by them in checking those frauds. The gentleman with whom we were talking in a most impressive way replied in one word that no adulteration was possible in their country as *they have the Government.* The words are really conclusive. If you have a Government taking interest in these affairs nobody can dare use the malpractices. As the laws exist today in India they are very defective in the first place and secondly the administration does not very much cooperate with the Municipal Boards who have to start the prosecution and thirdly the members of the Municipal Boards have to depend upon those very shop-keepers for their seats in the Boards with the result that they do not sanction prosecutions easily. And even when prosecutions are sanctioned the cases are subsequently quietly compounded and the culprit is let off with a small payment and begins again the same practice. In other countries it is the duty of the Provincial Governments to see that the laws which are sufficiently stringent are carried out. A special staff is maintained to take samples and make a report to the proper authorities. The Municipal Boards have not to wait for the result of the chemical examination from a long distance laboratory. A perusal of the Food Adulteration Act of England 1928, Section 14 (2, 3 and 4) will make clear what we mean.

According to the recent report on the Development of the Cattle and Dairy Industries of India the

annual production of milk in India is nearly 700 million maunds. The monetary value of this output is shown to be approximately 300 crores of rupees. Compared with other countries, India stands second in quantity of milk production, she produces over four times the output of Great Britain, over five times that of Denmark, over six times that of Australia and over seven times that of New Zealand. Besides this it is estimated that the manure produced by the cattle adds 1000 crores of rupees to agricultural income. The above figures will bring home the importance of Dairy industry to the farmer and still the Governments have done nothing to develop this industry on the right lines. The following extract from the recent Dairy expert report is a sufficient condemnation of the Government if any condemnation is needed. The report says :—

"While the (this) lack of knowledge on the part of cultivators and gowalas is perhaps inevitable, it was still *more disappointing to find the complete absence of interest displayed in this matter by officials associated with the agricultural and veterinary services and with the Imperial Dairy experts' section*". "I found, for example", the author of the report says, "that it was almost impossible to obtain reliable figures in regard to such an elementary question as the keeping quality of milk, how it differed at different seasons and with different methods of handling, and how it could be improved under village conditions of

production". He further eays, "It would, perhaps, be desirable to give a concrete example of the point which I desire to emphasize. At several villages during my tour I had opportunities of seeing the methods adopted in cleaning vessels used for milk. This usually consisted of scouring the vessel with a mixture of earth and wood ashes, which was subsequently rinsed out with well water and then stood in the sun. This method was usually pointed out to me as an example of the dirty methods employed by the cultivator. It is, however, quite likely that the results are, in practice, far more satisfactory than one might suppose. In the absence of soda and refined abracive (which form the basis of ordinary scouring powders) a mixture of earth and potash (ashes) would form a cheap but efficient cleaning mixture, while the lethal action of the sun-light might possibly be found to destroy any contaminating organisms left in the vessel after rinsing. But *the point is that even a simple matter such as this has not been investigated, so that no reliable guidance can be given to the cultivator as to the directions in which his methods are sound and the lines along which they might be further improved.*" (The italics are ours). Mr. Wright should know that an expert in India shuns every practice Indian and he can not afford to advocate its investigation. Boasting without data has been always his pastime. But still the policy of research work must be dictated by these experts !

Discussing the question of adulteration Mr. Wright very aptly remarks, "there is no doubt that wilful dishonesty plays a considerable part in the matter (of adulteration) and so long as the dishonest vendor can increase his profit without any serious risk of prosecution or punishment, the practice of adulteration will increase." He further points out, "It is the opinion of some of the manufacturers that about 90 per cent of the total supplies (or 23500 tons) (of Banaspatine) are used for the adulteration of ghee". Further he calculates, "At a retail price of Rs.32 a maund the amount of genuine ghee replaced by adulerant would represent over 3 crores of rupees". He goes on to say, "If adulteration could be checked this additional income could be added to the wealth of the countryside, with subsequent advantage to the rural population". But the checking of adulteration is no part of rural uplift and the Government seems to be satisfied with the present arrangement.

The Government connives not only at the adulteration of ghi but also on calling the adulterant as banaspati ghi. There is no arrangement of grading of such a costly food stuff nor there is adequate arrangement for checking the adulteration.

When milk has to compete with water, when ghi has to compete with oil, tallow and hydrogenated oils, no dairy industry can prosper in India. Royal Agricultural Commission long ago told us that no

honest man can follow the dairy business in India and still no action has been taken nor it seems to be likely that any action will ever be taken !! There must be a law that nobody will be allowed to keep a shop unless he has got a license and if anybody sells adulterated articles his license will be cancelled and he may be sent to Jail. A fine of a few rupees cannot improve matters as the shop-keeper gets much more by dishonesty than he has to pay in fine. Drastic measures should immediately be introduced. Everybody should clearly understand that shopping is a public function and only honest persons should be allowed to practice it. Dishonest persons and cheats should have no place in the markets of the country. The general notion amongst the people that a shopkeeper cannot afford to be honest should be removed once for all. The Government can do no better with the grower than regulating and controlling the internal markets and stopping adulteration with a strong hand. We hope our cry will not be a cry in the wilderness and the Government of the country will discharge their duty in this respect.

It is not that the internal markets only are to be regulated in the sense of keeping pure the indigenous articles but there should be laws and rules under which no other country be allowed to export goods to India without a proper description of the contents. Condensed milk ought to show the fat contents, sugar contents and so on. Imported butter should show the

fat and moisture contents and similarly silk goods, woollen goods should show the admixture upon every piece. If they are not found to confirm to the description given they should not be allowed to be imported. Unless this is done the indigenous article will not be able to sell against them.

The consumer who suffers ultimately should agitate and force the hands of the Government to make laws for regulating and controlling the markets. Young men who are out of employment today should take it to their heart that unless adulteration is stopped they cannot honestly take to business and can never compete with dishonest people. Their future success does depend upon the total stoppage of adulteration. It is in their interest that they hold meetings, press for the enactment of these laws and bring about every pressure on their elders and the Government to remedy the evil. This is the best method for the contact with the masses and will be very much appreciated. We assure the readers that it is not the grower who generally adulterates but it is the market which spoils the quality of the article produced. If a better price is offered, whatever slackness exists today, will be removed automatically as the farmer will at once know the importance of keeping his produce pure. We consider this reform to be of utmost importance and should have precedence over every other reform. We are aware that the Government of India has appointed a marketing

officer and also a lot of others under him in every province. But that should be no reason for stopping our efforts and delaying legislative measures in this direction. If the marketing officer and his subordinates help us in this step we should be thankful to them but their inaction should be no reason for our delaying the reforms. The recent move of holding a Ghee confeience may be a move in the right direction but we cannot afford to wait. The adulteration law must be enacted immediately and proper administrative machinery should be provided to see the laws carried out. The matter should not be left to the sweet will of the Municipal or District Boards.

Surplus

The internal market is very much depressed when there is a surplus in the market. In such cases the producer does not get the price equal to the price of half the produce. In India, experts without calculating the effect on prices urge the necessity of producing more and more and sometimes force the cultivator to take to ruinous measures of more production. The experts have no imagination for finding out new methods of consuming the surplus nor they have the courage to curtail production. Let them learn as to what other countries have done to meet such an emergency. In order to avoid the details we simply enumerate these measures as follows :—

(a) by forcing the manufacturer to use indigenous articles in place of imported ones,

(*b*) by denaturing and rendering the produce unfit for human consumption so that they may be used only for cattles, by payment of a certain premium to those whose produce is so denatured,

(*c*) by purchasing articles at the market price by the Government and distributing them cheap to the relief societies so that they may be available to the poor on cheap rates,

(*d*) by introducing permits for poor men to purchase articles at cheap rates and by giving grants for the balance to the seller from the treasury,

(*e*) by propaganda to increase the consumption of a commodity if the consumption is low,

(*f*) by finding out new uses for agricultural produce. When Government of Italy found that the hemp was not saleable in foreign markets they found out a method of turning hemp fibre into another fibre which is more flexible and better looking and of sufficent strength to compete with cotton. By this method they stopped the import of cotton and found out a use for their surplus hemp. In India, the Indian Government and the Jute experts sat with folded hands while other countries found a method of

changing Jute into artificial wool. The Government of India and the Cotton Committee instead of turning out cotton into artificial silk rest satisfied with negotiating for sale of cotton with Japan. It seems neither we nor our Government want to go out of the settled groove. We wish that our Government experts may take to new lines and no more tred the beaten track.

(*g*) by substituting indigenous articles for the imported ones and

(*h*) by establishing committees to investigate the uses of different articles with a view to find out market for them in foreign countries.

There is no reason why some or all of these methods may not be employed in India with benefit.

(5) National marks

Most of the countries, in order to guarantee a certain standard of purity, have introduced a system of national marks. The Government provides a certain mark and sees that the article bearing such mark does not hold a lower standard of quality. The idea was first started by Denmark in order to maintain the reputation of their goods exported to foreign countries. By the use of the national mark the Government or the whole nation through Govern-

ment stands a sort of guarantee for a certain standard of purity and genuineness. This idea has now been taken up by other countries not only for the exported article but also for the articles sold in the internal market. In the United Kingdom, as the readers have seen in the previous pages, the introduction of national mark has proved very useful and the consumption has gone up. There is absolutely no reason why the scheme of national mark should not be adopted with advantage in India. In order to introduce National marks we shall have to introduce the rationalization of the methods of gathering, selection, grading and packing etc. All things when adopted will naturally raise up the standard of the marketable goods and a better price will consequently be paid by the purchaser. In cases where the article has to be kept for long, arrangements for proper storage and storage facilities will have to be provided for. By the introduction of these methods the prices may go up to some extent and the consumer may have to pay for these improvements. Other countries, in order to safeguard the interest of the consumer have forced the manufacturers to combine so that the middle-men's profit may be curtailed and by better efficiency prices may be kept low. In creating such combines the Government has to see that the monoplies so created may not be used against the interest of the consumer. To guard against such eventuality, proper laws are

enacted and sometimes the prices are fixed by a Board consisting of a representative of the sellers, one representative of the consumer and one of the Government.

In creating national mark one thing should not be lost sight of. The machinery of administration should be above board and free from corruption otherwise the remedy will prove worse than the disease. If anybody who has to do anything with the administration of these rules be found guilty of misbehaviour he must be given an exemplary punishment so that nobody is encouraged to make money by illegal gratification otherwise the whole thing will end giving place to another corruption in place of the present ones.

(6) Marketing schemes

In the United Kingdom as well as in other countries marketing schemes have been introduced to control and improve the marketing of different commodities. The main idea in creating these schemes is that the conditions required for marketing are different for different commodities and if separate marketing schemes are devised for them the result will be that all the points necessary to be gone into will be brought to the front and their solution will be found out. A proper representation will be possible of all the interests concerned.

Marketing boards are established with big powers to finance the schemes. Since these schemes

are already succesfully working in other countries we can borrow the details quite easily and modify them to suit our own circumstances. United Kingdom marketing schemes will be very interesting and their details are also available in English. If similiar rules, with necessary modifications, are introduced, we are sure, we can do a yeoman service to the farmers of our country.

Indebtedness and Credit

The different Provincial Governments have done something to help the cultivator in both these respects but we are not satisfied with the measures adopted. We would like to say a few words in this respect. The details as to what should be done will vary according to the circumstances prevailing in different places. But if the principles are once granted the measures adopted will be found to serve better than the introduction of those methods haphazardly.

(*a*) The first point that we want to press is that relief measures against indebtedness and credit always go together. One is always useless without the help of the other. Whenever a creditor is penalized he always stops the further giving of advances to his debtors with the result that whatever relief the poor man gets in his present difficulties he suffers for want of capital in his future work. It is, therefore, absolutely necessary that

an adequate arrangement be made for the necessary funds for the farmer so that the production may not suffer.

(*b*) Maritorium which is the best method of relief for the time being is a dangerous remedy if its importance is not realized by the farmer. He must be clearly told that maritorium is not repudiation of debt and therefore people who can pay should pay, otherwise when the time of maritorium expires they will find themselves in a very bad plight in as-much as by that time new liabilities will be incurred and it will be impossible for them to meet both the obligations at one and the same time. Perhaps it would be better if a certain discount be declared for those who would like to pay in the maritorium period so that as far as possible the future difficulty may be avoided.

(*c*) *Capacity to pay*—The whole affair of debt conciliation or repudiation of debt should be based upon the principle that the cultivator must pay to his capacity. Whenever the Government comes to the help of the debtor it does so firstly because if not helped the production of the country will suffer and secondly that the creditor can withstand the deferring of the payment better than the poor man who is forced to pay. In the case of an insolvent who applies to court for being declared an insolvent he has to place all his assets at the disposal

of the court. Similiarly here the farmer's capacity to pay must be enquired into and the debt must be decreased in accordance with that finding. In good old days every debt was reduced every year by the elders of the village in proportion to the capacity of the farmer to pay, the same principle should apply now. Simply wiping off debt amounts to a repudiation of a sacred promise to pay and is likely to let loose forces which may jeopardise the whole human society.

In case a farmer is incapable of paying the utmost that should be done is that the land should be taken from him for a number of years and be farmed out to somebody else and the proceeds be handed over to the creditor. After the lapse of the fixed period the property be declared free of debt and handed over to the cultivator.

(*d*) Mony lending as practised today does not require any skill or experience. With the help of the present courts a man can realize his dues and see that his money multiplies indefinitely. This creats a class of people who do not utillize their money for better industrial pursuits but who while away their time in pursuits other than those which add to the national wealth of the country. All the countries of the world have, therefore, handed over this necessary business to the Cooperative Corporations but in India the Cooperative Societies are left to compete with the money-lender

with the result that the latter thrives while the former, inspite of the Government backing, go to the wall. This method, if introduced, must be carried on to its logical end and the total business should be in the hands of the Cooperative Societies, else the profession of money-lending should not be allowed to take help from the courts. It is really a pity that the courts which realize money for the creditor have to realize their costs also from the debtor. The Governments should make up their minds once for all as to what position they want to give for future to the money-lenders. Our suggestion in the matter will be that money lending should be done only by the coopera-tive societies so that the money so relieved may go to the industries.

(e) The present methods of relief generally help the big zamindar or a tenant who might have incurred the debts for an immoral purpose. More help should be given to those who really deserve. The aim of the legislature should be to help those who, without any fault of theirs, have suffered on account of the depres-sion in prices. Whether an investigation of this nature is necessary or not but certainly we feel that the poor man deserves more help than the rich who has simply wasted the money in extravagance.

Taqavi and Government loans

(f) Not only the creditor should suffer but the Government should investigate the difficulties of poor

tenants who were granted Taqavis at a time when really they ought to have been given grants. We mean that if at the time of calamity and famine or the like a cultivator is helped the money if not advanced for a productive purpose ought to have been considered as a grant and not an advance which requires to be paid off. Such an enquiry may be needed and the debt be reduced accordingly. The Government in no case should utilize their position in the realization of their dues. It must suffer along with the creditor.

As to the different methods of relief we have not given the details here but the readers can with advantage peruse the previous pages.

खेती

चौधरी मुखत्यार सिंह कृषि विद्या के प्रसिद्ध लेखक द्वारा लिखित अनोखी पुस्तकें।

नीचे लिखी तीन पुस्तकों में खेती संबंधी सभी ज्ञान कूट कूट कर भर दिया है। यदि चतुर किसान इन तीनों पुस्तकों को भली भांति एक बार पढ़ कर समझ ले और उनके अनुसार कार्य्य करे तो उसके खेतों की उपज बहुत बढ़ सकती है। उसको यह ज्ञान भली भांति हो सकता है कि मेरे खेतों की फ़सल के ख़राब हो जाने के क्या कारण हैं। कोई ऐसी बात जिसको किसान के लिये जानना आवश्यक हो ऐसी नहीं है जो इन तीन पुस्तकों में न लिखी गई हो। पुस्तकों के बिक्री से जो लाभ होगा वह किसानों की उन्नति में ही व्यय किया जायगा।

चित्र सहित
पृष्ट २००

भूमि

मूल्य १॥)

इस पुस्तक में खेत की मट्टी के संबंध में सब बातें लिखी गई हैं। मट्टी पर गरमी, सरदी, रोशनी, पानी, भूकम्प आदि का प्रभाव, मट्टी की भिन्न भिन्न जातियाँ, उनके गुण और प्रभाव, मौसमों का मट्टी पर प्रभाव, मट्टी और जल का संबंध, मट्टी में रसायनिक तत्व, मट्टी में रहने वाले अनेक जंतु और उनका खेती पर प्रभाव, ख़राब खेतों को अच्छा बनाना, रिहाले खेतों को ठीक करना, कल्लर खेतों को उपजाऊ बनाना, रेतीले खेतों से उत्तम उपज प्राप्त करना इत्यादि इत्यादि सभी बातें खेत की मट्टी के संबंध में लिखी गई हैं।

दूसरे भाग में हल की बनावट, गुड़ाई से लाभ, देशी हल तथा विलायती हल का अंतर, जुताई के तरीक़े, जुताई क्यों और किस समय करनी चाहिये, गुड़ाई तथा जुताई करने के आधुनिक औज़ार, बिना सिंचाई केवल ठीक प्रकार जुताई करने से किस प्रकार फ़सल पैदा की जा सकती है, सिंचाई वाले खेतों की फ़सल और बिना सिंचाई के खेतों की फ़सल का अंतर इत्यादि इत्यादि सभी बातें जुताई के संबंध में लिखी गई हैं।

उपरोक्त तीनों पुस्तकें एक जिल्द में मूल्य केवल ४

मिलने का पता :—

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